

LUDWIG BECK



SEIT 1861

CORPORATE QUARTERLY STATEMENT

For the first quarter of the fiscal year 2024

For the period from January 1 to March 31, 2024

LUDWIG BECK – In a successful start to 2024, LUDWIG BECK further increases sales and operating earnings compared to the same period of the previous year

München, April 18, 2024 – The Munich-based fashion group LUDWIG BECK (ISIN DE 0005199905) ended the first quarter of 2024 with a significant increase in sales of around 6% compared to the same period of the previous year, even though the Group closed the first quarter of the previous year with a plus of almost 20% compared to the 2022 financial year.

Economic environment and development in the retail industry

The year started as the previous one ended—with companies operating in the German fashion industry filing for insolvency. This affects retailers and manufacturers as well as owners and developers of retail property. These continued insolvencies indicate that the industry continues to face significant challenges, including due to ongoing economic uncertainties or structural changes in consumer behaviour.

Due to black ice, farmers' and railway strikes in January, the new year got off to a rather sluggish start for brick-and-mortar fashion retailers. In the first two months of the year, bricks-and-mortar fashion retailers only recorded moderate growth of 1% in each month. However, interest in fashion gained momentum in March thanks to new collections, events, and the spring-like weather. The fall in inflation also contributed to the improvement in consumer sentiment, which benefited bricks-and-mortar fashion retailers. Although the industry's year-on-year figures were very high with an increase of 16%, the first quarter of 2024 closed with industry growth of 4%.

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 2024, the LUDWIG BECK Group generated gross sales of € 18.7m (previous year: € 17.7m). With an increase in sales of just under 6%, LUDWIG BECK's sales growth was above the industry average of 4%. Sales in the "textile" segment amounted to € 14.2m (previous year: € 12.7m) and in the "non-textile" segment to € 4.5m (previous year: € 4.9m). In the online segment, LUDWIG BECK increased its sales in fashion compared with the year earlier. However, revenues declined slightly in the beauty segment.

Profitability of the Group

Gross profit improved with sales development from € 6.8m in absolute terms to € 7.0m. Due to higher sales of reduced autumn/winter merchandise, the net gross profit margin declined from 45.6% to 44.7%.

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Operating expenses netted against operating income in the first quarter totalled € 8.0m (previous year: € 7.9m).

The operating result (EBIT) improved slightly to € -0.9m from € -1.2m.

Due to higher interest rates, the financial result declined from € -0.6m in the previous year to € -0.8m in this year's quarter. As in the previous year, earnings before taxes (EBT) totalled € -1.7m.

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, 2024, amounted to € 170.3m (December 31, 2023: € 169.8m).

As in the previous year, the main components of long-term assets were the rights of use for rental agreements (€ 59.1m) and the property at Munich's Marienplatz (€ 69.8m). Long-term assets totalled € 153.2m as of March 31, 2024 (December 31, 2023: € 153.8m).

Short-term assets amounted to € 17.1m (December 31, 2023: € 16.0m). Inventories included in this figure increased from € 12.4m to € 13.6m due to seasonal factors.

Cash and cash equivalents amounted to € 0.5m (December 31, 2023: € 0.5m).

FINANCIAL POSITION

Balance sheet structure

As of March 31, 2024, the LUDWIG BECK Group had equity capital of € 64.3m (December 31, 2023: € 65.5m). The equity ratio was 37.7% (December 31, 2023: 38.5%).

Long-term liabilities increased from € 71.2m as of December 31, 2023, to € 79.5m, mainly due to taking out two long-term loans in the amount of € 10.0m in March of the current fiscal year. The Group took out these loans to optimise its financing structure. Thus, the more expensive short-term overdraft utilisation was reduced with the help of lower-interest loans.

Short-term liabilities fell accordingly from € 33.2m as of December 31, 2023, to € 26.5m at the end of March 2024, with the financing of the seasonally higher inventory and the negative result for the first quarter having the opposite effect.

In total, the Group's liabilities amounted to € 106.0m as of the reporting date of March 31, 2024 (December 31, 2023: € 104.4m).

Cash flow

The cash flow from operating activities after the first three months of 2024 was € -1.6m (previous year: € -2.2m). The cash flow from investing activities in the same period was € -0.4m (previous year: € -1.3m). Cash flow from financing activities was € 2.1m (previous year: € 3.4m).

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EMPLOYEES

The number of employees (pursuant to Section 267 (5) HGB) in the first three months of the fiscal year 2024 (excluding trainees) was 388 (previous year: 393). As of March 31, 2024, the LUDWIG BECK Group employed 37 trainees (previous year: 37).

FORECAST REPORT

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

Moderate growth in the global economy is expected for the current year. The International Monetary Fund (IMF) is forecasting global economic growth of 2.9%, while the Organisation for Economic Co-operation and Development (OECD) is predicting 2.7% and the European Central Bank (ECB) 3.0%. Despite this positive outlook, geopolitical tensions and a restrictive international monetary policy characterised by high key interest rates will hamper global economic growth and lead to slower development. The forecasts for 2024 are subject to considerable uncertainty, particularly with regard to issues such as war, economic concerns, artificial intelligence (AI), and climate change, which will impact the global economy.

LUDWIG BECK is satisfied with the development of the first quarter and remains cautiously optimistic for the current fiscal year. The company plans to continue investing in the department stores on Marienplatz in order to create fascinating shopping experiences through remodelling and the introduction of new brands. Despite the challenging economic conditions, the management of LUDWIG BECK AG expects gross merchandise sales of between € 90m and € 93m and earnings before taxes (EBT) of between € 0.5m and € 1.8m for the 2024 fiscal year.

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GROUP KEY FIGURES

in €m	01/01/2024	01/01/2023
	03/31/2024	03/31/2023
	-	-
PROFIT AND LOSS ACCOUNT		
Sales (gross)	18.7	17.7
Value Added Tax	-3.0	-2.8
Sales (net)	15.7	14.9
Gross profit	7.0	6.8
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	0.7	0.5
Earnings before interest and taxes (EBIT)	-0.9	-1.2
Earnings before taxes (EBT)	-1.7	-1.7
Earnings after taxes (EAT)	-1.1	-1.1
CASH FLOW		
Cash flow from operating activities	-1.6	-2.2
Cash flow from investing activities	-0.4	-1.3
Cash flow from financing activities	2.1	3.4
EMPLOYEES		
Number of employees (average, excluding apprentices)	388	393
Number of apprentices (average)	37	37
Personnel expenses (in €m)	3.9	4.0
SHARE		
Number of shares (in m)	3.70	3.70
Earnings per share, undiluted and diluted (in €)	-0.30	-0.29

BALANCE SHEET

	03/31/2024	12/31/2023
BALANCE SHEET		
Long-term assets	153.2	153.8
Short-term assets	17.1	16.0
Equity	64.3	65.5
Long-term liabilities	79.5	71.2
Short-term liabilities	26.5	33.2
Balance sheet total	170.3	169.8
Investments	-0.4	-3.2
Equity ratio (in %)	37.7	38.5

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SEGMENT REPORTING

	Textile		Non-textile		Group	
	m €	%	m €	%	m €	%
Gross sales	14.2	119.0	4.5	119.0	18.7	119.0
<i>Previous year</i>	12.7	119.0	4.9	119.0	17.7	119.0
VAT	-2.3	19.0	-0.7	19.0	-3.0	19.0
<i>Previous year</i>	-2.0	19.0	-0.7	19.0	-2.8	19.0
Net sales	12.0	100.0	3.8	100.0	15.8	100.0
<i>Previous year</i>	10.7	100.0	4.2	100.0	14.9	100.0
Cost of sales*	-6.8	56.9	-2.1	57.1	-9.0	57.0
<i>Previous year</i>	-6.0	56.2	-2.4	56.7	-8.4	56.4
Gross profit	5.2	43.1	1.6	42.9	6.8	43.0
<i>Previous year</i>	4.7	43.8	1.8	43.3	6.5	43.6
Personnel expenses of sales	-1.0	8.8	-0.7	17.8	-1.7	10.9
<i>Previous year</i>	-1.1	10.2	-0.7	17.6	-1.8	12.2
Calculatory occupancy costs	-2.4	20.5	-0.5	14.4	-3.0	19.0
<i>Previous year</i>	-2.4	22.2	-0.5	12.9	-2.9	19.6
Calculatory interests	-0.2	1.7	-0.1	2.7	-0.3	1.9
<i>Previous year</i>	-0.2	1.7	-0.1	2.5	-0.3	1.9
Segment result	1.5	12.2	0.3	8.0	1.8	11.2
<i>Previous year</i>	1.0	9.6	0.4	10.4	1.5	9.9

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

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