

LUDWIG BECK



SEIT 1861

LUDWIG BECK closes first half-year at par

Munich, July 18, 2024 – The German textile retail sector closed the first half of 2024 with a gross sales par unchanged from the previous year. The first quarter was very positive: plenty of sunshine and spring-like temperatures in March increased consumers' shopping propensity, which resulted in a 4 per cent increase in sales for stationary fashion retailers compared to the previous year. However, a different picture emerged in the second quarter. Due to the cool, unstable, and rainy weather, consumers' buying mood and willingness to spend fell significantly. Customers were particularly reluctant to buy seasonal goods such as T-shirts, shorts, and summer dresses, and the expected demand for summer clothing largely failed to materialize.

Sales development

In the first half of the 2024 fiscal year, LUDWIG BECK generated gross sales of € 37.2m (previous year: € 37.1m). This half-year period was marked by challenges for LUDWIG BECK. Heavy weather with hail, persistent rain, and flooding in the region around Munich lead to a significant decline in sales in May and June. Additionally, the UEFA European Championship, which attracted many fans to Munich's city centre but created more of a party than a shopping atmosphere, led to revenue losses. In addition, the outsourcing of logistics to a new service provider in Schwaig, which has now been successfully completed, had a slightly negative impact on sales in some product lines in the second quarter.

In the first half of the 2024 fiscal year, sales in the "textile" segment increased from € 27.1m to € 28.3m. Sales in the "non textile" segment totalled € 8.9m, compared to € 9.9m in the previous year, partly due to the closure of a non-domestic online sales channel in the beauty segment.

Earnings situation

Gross profit fell slightly in the reporting year from € 15.3m in the previous year to € 15.1m.

Other operating income totalled € 1.9m (previous year: € 1.6m). In line with the sales situation, personnel expenses totalled € 8.1m, similar to the previous year's figure of € 8.2m. At € 3.3m, depreciation remained at the previous year's level. Other operating expenses amounted to € 6.4m (previous year: € 5.9m). In addition to general price increases, one-off additional costs were incurred due to the outsourcing of the logistics activities.

Earnings before interest and taxes (EBIT) deteriorated from € -0.3m to € -1.0m.

Earnings after taxes (EAT) totalled € -1.5m in the first half of 2024 (previous year: € -0.8m).

Outlook

LUDWIG BECK now hopes for a return to more suitable conditions, and that business and demand for summer fashion will pick up again in the third quarter. The Munich Oktoberfest, which will start in September, is another important revenue driver for LUDWIG BECK. This world-famous festivity attracts not only locals but also numerous tourists who traditionally stock up on traditional costumes and festive clothing. The company is well prepared for the second half of the year, both strategically and in terms of its product range. With a well thought-out product assortment that sets both classic and fashionable accents, LUDWIG BECK is well

equipped to fulfil the many different customer desires. LUDWIG BECK is therefore optimistic about the second half of the year.

Based on the opportunities that LUDWIG BECK's management foresees for the second half of the year, the Executive Board is maintaining the forecasts published in March 2024.

The detailed half-year report for the fiscal year 2024 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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