PRESS RELEASE

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Adverse effects of coronavirus pandemic weigh heavily on the Group's revenues and earnings in H1 2019/20. Business performance in Q2 2019/20 is nevertheless slightly better than expected at the start of the lockdown. Financial position remains stable as reflected in reduced net working capital, lower net financial debt and solid equity ratio.

Due to the coronavirus pandemic, clothing retailers throughout Europe were ordered to close their stores between March and May 2020. In the first six months of the current fiscal year, revenues dropped therefore by 33 percent to EUR 70.7 million (previous year: EUR 105.3 million). The completed set of earnings and efficiency-increasing measures as well as cost reduction measures introduced at short notice led to a significant reduction in operating expenses (EUR -10.4 million or -19.7 percent). As this failed to offset the revenue effect on gross profit, the Group's net income in H1 declined to EUR -9.4 million (previous year: EUR -1.7 million).

In this difficult environment, the company benefits from its solid financial position. Net working capital in H1 2019/20 was down by EUR 5.1 million or 6.9 percent on the previous year to EUR 69.1 million. At EUR 26.5 million, net financial debt on the reporting date was below the previous year's EUR 29.0 million (-8.6 percent). The equity ratio fell to a still solid 52.4 percent as a result of earnings (previous year: 57.0 percent, for better comparability, all figures before application of IFRS 16 - Leasing accounting).

In the second quarter of 2019/20 (March - May 2020) the pandemic effects alone led to a EUR 26.7 million or 58 percent drop in revenues and a EUR 6.8 million decline in the Group's net income. Revenues still came in at the upper end of the expectations at the start of the lockdown, as face masks produced at short notice could successfully be sold and more summer merchandise than expected was delivered in the second half of May.

Following the gradual reopening, the Management Board projects a further decline in revenues for the second half of the fiscal year, as the measures aimed at containing the pandemic and the lack of travel activity continue to affect fashion purchases. However, the decline is likely to be more moderate than in the first six months of 2019/20. In the full fiscal year 2019/20, the revenue trend should therefore be above the half-year rate at around -25 percent to a maximum of -33 percent, provided that no new lockdown will be imposed. Developments in the economic environment and the clothing industry remain difficult to assess at present. It is therefore not possible yet to make a comprehensive forecast for the fiscal year 2019/20.

All figures are provisional. The company will publish the final, complete figures for the first half of 2019/20 on July 8, 2020.

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