



08.Aug 2017

## **Earnings for the Past Financial Year in Line with Expectations**

### **Annual Result**

- **Revenue down 5%**
- **Earnings after tax of EUR -17.88 million in line with the last adjusted forecast**
- **Prior-year earnings adjusted following routine review by the Austrian Financial Reporting Enforcement Panel**
- **Medium-term forecast confirmed**

Vienna/ Bregenz, August 8, 2017: Wolford AG announces the most important business results for the 2016/17 financial year (May 2016 to April 2017) before publishing its complete consolidated annual financial statements. Earnings are in line with expectations. Revenue in the past financial year fell by 5% year-on-year to EUR 154.28 million (-4.1% adjusted for currency effects). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR - 3.39 million compared to EUR 8.38 million (adjusted 2015/16 EBITDA). As a consequence of various one-off effects, EBIT totaled EUR -15.72 million (adjusted 2015/16 EBIT: EUR -2.92 million).

Excluding these effects (e.g. unscheduled depreciations due to impairments, restructuring expenses and one-off effects in other operating expenses), EBITDA in the 2016/17 financial year was about EUR 4.17 million. Depreciation and amortization totaled EUR 12.33 million (2015/16 adjusted: EUR 11.30 million). Earnings after tax equaled EUR - 17.88 million (2015/16 adjusted: EUR - 10.66 million) and thus corresponds to the forecast. Earnings per share were EUR - 3.64 (2015/16 adjusted: EUR - 2.17).

All relevant details on business results for the past financial year will be presented within the context of the publication of Wolford's consolidated annual financial statements on August 24, 2017.

### **Adjusted prior-year figures**

Within the context of a random sampling carried out by the Austrian Financial Reporting Enforcement Panel (AFREP), the consolidated financial statements as at April 30, 2016 as well as the half-year reports as at October 31, 2015 and October 31, 2016 of the Wolford Group were selected and subject to a review pursuant to Section 2 Para. 1 (2) Austrian Financial

Reporting Enforcement Act (audit without particular cause). The conclusion was that the consolidated financial statements as at April 30, 2016 contained flawed assumptions underlying cash flow forecasts for determining the value in use of impairment tests implemented in accordance with IAS 36. In addition, the review by AFREP also uncovered misrepresentations in several detailed items (e.g. netting) in the cash flow statement for the period May 1, 2015 to April 30, 2016. Errors made in earlier periods were retroactively adjusted. These retroactive adjustments did not have any impact on information contained in the balance sheet at the beginning of the prior-year period on May 1, 2015. The effects of these retroactive adjustments on individual items are presented in the notes to the consolidated financial statements in section II. Adjustments pursuant to IAS 8.

## Outlook confirmed

In the first three months of the current financial year (May to July 2017), Wolford succeeded in raising revenue by about 3% adjusted for currency effects. However, management only plans to generate slight revenue growth in the current 2017/18 financial year compared to the previous year. A time frame of two years has been designated for implementing the planned restructuring measures. These measures will first take full effect starting in the 2018/19 financial year. Against this backdrop, Wolford still expects negative operating earnings in the current 2017/18 financial year, as it already communicated on April 12, 2017. The company anticipates positive operating earnings again starting in the 2018/19 financial year.

<b>Income statement (condensed)</b>			
<b>in € million</b>	<b>2016/17</b>	<b>2015/16*</b>	<b>change in %</b>
<b>Revenue</b>	<b>154.28</b>	<b>162.40</b>	<b>-5</b>
Other operating income	0.95	2.30	-59
Changes in inventories of finished goods and work in process	1.58	4.40	-64
Own work capitalized	0.14	0.09	+56
<b>Operating output</b>	<b>156.95</b>	<b>169.19</b>	<b>-7</b>
Cost of materials and purchased services	-27.63	-27.38	+1
Personnel expenses	-75.22	-73.86	+2
Other operating income	-57.49	-59.57	-3
Depreciation and amortization	-12.33	-11.30	+9
<b>EBIT</b>	<b>-15.72</b>	<b>-2.92</b>	<b>&gt;100</b>
Financial result	-0.86	-0.93	+8
<b>Earnings before tax</b>	<b>-16.57</b>	<b>-3.85</b>	<b>&gt;100</b>
Income tax	-1.31	-6.81	-81
<b>Earnings after tax</b>	<b>-17.88</b>	<b>-10.66</b>	<b>+68</b>

\*adjusted

Results in TEUR	30.04.2017	30.04.2016*
Property, plant and equipment	45,553	50,240
Goodwill	188	686
Other intangible assets	10,681	11,570
Financial assets	1,283	1,305
Non-current receivables and assets	1,891	1,931
Deferred tax assets	1,891	2,898
<b>Non-current assets</b>	<b>61,487</b>	<b>68,630</b>
Inventories	49,392	47,836
Trade receivables	11,190	8,758
Other receivables and assets	3,261	5,111
Prepaid expenses	2,744	3,262
Cash and cash equivalents	10,312	3,870
<b>Current assets</b>	<b>76,899</b>	<b>68,837</b>
<b>Total assets</b>	<b>138,386</b>	<b>137,467</b>
Share capital	36,350	36,350
Capital reserves	1,817	1,817
Other reserves	7,375	26,321
Currency translation differences	-660	-674
<b>Equity</b>	<b>44,882</b>	<b>63,814</b>
Financial liabilities	214	974
Other liabilities	924	972
Provisions for long-term employee benefits	17,546	17,896
Other non-current provisions	2,347	2,018
Deferred tax liabilities	53	60
<b>Non-current liabilities</b>	<b>21,084</b>	<b>21,920</b>
Financial liabilities	42,645	25,060
Trade payables	5,035	5,086
Other liabilities	13,076	13,476
Income tax liabilities	520	1,464
Other provisions	11,144	6,647
<b>Current liabilities</b>	<b>72,420</b>	<b>51,733</b>
<b>Total equity and liabilities</b>	<b>138,386</b>	<b>137,467</b>

\*adjusted

Cash flow in TEUR	2016/17	2015/16*
Earnings before tax	-16,574	-3,851
Depreciation and amortization	12,331	11,303
Gains/losses from disposal of property, plant and equipment	331	-1,011
Other non-cash expenses and income	375	833
Changes in inventories	-1,557	-5,370
Changes in trade receivables	-2,431	1,455
Changes in other receivables and assets	1,850	1,628
Changes in trade payables	-52	432
Changes in other provisions and personnel obligations	4,478	37
Changes in other liabilities	-446	-957
<b>Gross cash flow</b>	<b>-1,695</b>	<b>4,499</b>
Net interest received	43	26
Net interest paid	-575	-601
Net of income taxes paid and received	-711	-968
<b>Net cash flow from operating activities</b>	<b>-2,938</b>	<b>2,956</b>
Investments in property, plant and equipment and other intangible assets	-6,658	-7,667
Proceeds from the disposal of property, plant and equipment and other intangible assets	153	1,472
Changes in securities and other financial assets	0	258
<b>Cash flow from investing activities</b>	<b>-6,505</b>	<b>-5,937</b>
Proceeds from current and non-current financial liabilities	23,522	5,673
Repayment of current and non-current financial liabilities	-6,697	-3,150
Dividends paid	-982	-980
Changes in treasury shares	0	250
<b>Cash flow from financing activities</b>	<b>15,843</b>	<b>1,793</b>
<b>Change in cash and cash equivalents</b>	<b>6,400</b>	<b>-1,188</b>
Cash and cash equivalents at the beginning of the period	3,870	4,785
Currency-related change in cash and cash equivalents	42	273
<b>Cash and cash equivalents at the end of the period</b>	<b>10,312</b>	<b>3,870</b>

\*adjusted