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Detailed figures presented for first quarter of 2017/18

Bregenz - Vienna/Bregenz, September 8, 2017: Wolford AG, which is listed on the Vienna Stock Exchange, stabilized its revenues in the first quarter of its current financial year (May 2017 - July 2017). Adjusted for currency items, revenues grew by 4.9% to EUR 29.09 million. Consistent with this growth, operating earnings also improved on the weak previous year's quarter (EBIT: EUR -7.22 million; previous year: EUR -8.08 million). Including taxes calculated in line with IAS 34, earnings after tax were also ahead of the previous year's figure (EUR -6.91 million; previous year: EUR -8.03 million).

Revenue growth in retail and wholesale businesses

The proprietary retail business and the wholesale business both posted year-on-year revenue growth in the first three months, with retail revenues rising by 6.0% and wholesale revenues by 2.2%. The proprietary online business reported very successful developments, with revenue growth of almost 27.9%. This growth was driven by improved product availability and successful marketing campaigns.

Growth in most core markets

Individual regions showed highly disparate developments in revenues in the first three months. The US, Wolford's largest market in terms of revenues, posted a particularly strong performance, with double-digit revenue growth driven above all by the proprietary online business. Spain, the Netherlands, and East European markets also reported double-digit growth rates. Wolford generated single-digit growth in Italy, Scandinavia, Asia, Austria, Germany, and Switzerland. Due not least to the impact of Brexit, the depreciation in the British pound, and the closure of three locations, Wolford reported a double-digit reduction in revenues in the UK, a factor which had a moderate impact on earnings. Wolford also reported a single-digit fall in revenues in France and Belgium.

Operating earnings up on previous year

Operating earnings (EBIT) amounted to EUR -7.22 million, as against EUR -8.08 million in the previous year. On the one hand, the company significantly reduced its inventories, which fell by EUR 3.13 million compared with the previous year's quarter. On the other hand, this also led material costs to decrease by EUR 1.78 million. The establishment of a central sales platform for the EMEA region and the streamlining of administrative structures in Bregenz led staff costs to fall by EUR 1.25 million to EUR 17.43 million. Other operating expenses, by contrast, rose by EUR 1.20 million to EUR 13.29 million. This was due above all to advisory expenses incurred in the first quarter, for example in connection with financing measures. Wolford had an average of 1,491 employees (FTEs) in the first quarter, as against 1,557 employees in the equivalent period in the previous year.

Outlook

Wolford confirms outlook: For the current financial year, the management has budgeted only slight year-on-year revenue growth and further negative earnings. Implementation of the restructuring measures aimed at improving earnings is governed by a two-year schedule and the relevant measures will only take full effect from the 2018/19 financial year. Wolford expects to generate positive operating earnings once again from then onwards. The report for the first quarter of the 2017/18 financial year can be downloaded under company.wolford.com, Investor Relations.

http://company.wolford.com/olden/wp-content/uploads/sites/11/2017/09/Wolford_Q1-Report_2017_18_EN.pdf

Earnings Data		05-07/17	05-07/16	Chg. in %	2016/17
Revenues	in € mill.	29.09	27.74	+5	154.28
EBIT	in € mill.	-7.22	-8.08	+11	-15.72
Earnings before tax	in € mill.	-7.44	-8.25	+10	-16.57
Earnings after tax	in € mill.	-6.91	-8.08	+15	-17.88
Capital expenditure	in € mill.	0.33	2.69	-88	6.72
Free cash flow	in € mill.	-7.08	-14.19	+50	-9.45
Employees (on average)	FTE	1 491	1 557	-4	1 544

Balance Sheet Data		31.07.2017	31.07.2016	Chg. in %	30.04.2017
Equity	in € mill.	38.09	55.81	-32	44.88
Net debt	in € mill.	37.90	35.59	+7	31.27
Working capital	in € mill.	44.82	48.72	-8	45.73
Balance sheet total	in € mill.	129.60	144.14	-10	138.39
Equity ratio	in %	29	39	-25	32
Gearing	in %	99	64	+55	70

Stock Exchange Data		05-07/17	05-07/16	Chg. in %	2016/17
Earnings per share	in €	-1.41	-1.63	+14	-3.64
Share price high	in €	19.75	25.70	-23	26.01
Share price low	in €	16.00	24.49	-35	19.10
Share price at end of period	in €	17.42	25.60	-32	19.28
Shares outstanding (weighted)	in 1,000	4,912	4,912	-	4,912
Market capitalization (ultimo)	in € mill.	87.10	128.00	-32	96.38

*) Figures as of July 31, 2016 retrospectively adjusted due to corrections made in connection with OePR audit review