



EQS-Ad-hoc: Wolford AG / Key word(s): Annual Results
Wolford AG: Wolford AG presents detailed figures for the fiscal year 2022

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- SALES € 125,5 m
 - EBITDA € -11,8 m
 - EBITDA margin -9,4 %
 - EBIT € -28,6 m
 - EBIT margin -22,8 %
 - Earnings after taxes € -34,9 m

With sales of 125.5 million Euro for the reporting period January to December 2022, Wolford AG beat the previous year (January to December 2021) by 16.2 million Euro (+ 15%). As anticipated in the H1 Results, EBIT (operating result before financial and tax expenses) did not improve and Wolford AG closed 2022 at -28.6 million Euro.

The positive sales growth is a result of increased investments in effective marketing activities, on-trend designer collaborations, as well as the impact of Wolford's new focused and elevated product proposition of iconic styles and smart seasonal assortments. Revenue growth in 2022 was recorded across all DTC channels. Both retail and online grew, at 28% and 7% respectively, while wholesale remained almost flat with -1% despite the cyberattack we had at our third-party logistics warehouse. In the USA, Wolford saw particularly strong development at plus 44%, in EMEA sales grew by 9% notwithstanding the war, and in the APAC region Wolford slightly exceeded the previous year's level despite the lockdowns in China.

Despite immediate cost cutting corrective actions, the significant earnings erosion of H1 2022 could not be slowed sufficiently from when the new management board took over in August 2022. Looking only at the largely one-off events and expenses in 2022, 9.3 million Euro negatively impacted Wolford EBIT for the full year. As such, the disappointing H1 EBIT result of -16.9 million Euro carried into the second half for an annual EBIT loss of -28.6 million Euros.

Multiple measures have been taken by the new management board to increase operational efficiency by accelerating and broadening Wolford's restructuring efforts with a significantly greater focus on cost control. This February a capital increase of 17.6 million Euro was implemented to secure liquidity.

These measures, cuts and investments initiated from August 2022 will largely show their impact in 2023, and they already have: Q1 2023 sales have come in above budget, cash flow and earnings are on track to finally deliver the sustained profitability the management board, with the support of Wolford's majority shareholder, is confident in being able to deliver.

End of Inside Information

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Company: Wolford AG
Wolfordstrasse 1
6900 Bregenz
Austria
Phone: +43/5574/6900
E-mail: investor@wolford.com
Internet: www.wolford.com
ISIN: AT0000834007
WKN: 83400
Indices: ATX
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