

QUARTERLY STATEMENT Q3 2019

TOM TAILOR brand grows by 2.2 percent in Q3 in spite of difficult market conditions

- Revenue for TOM TAILOR brand rises by 2.2 percent to €167.2 million
- Gross profit margin for TOM TAILOR brand at 53.6 percent
- Revenue for Retail segment increases by 6.1 percent to €69.9 million
- BONITA segment reduces decline in revenue and improves reported EBITDA

Hamburg, 12 December 2019. Continuing macroeconomic uncertainties impacted the textile industry once again in the third quarter. Nevertheless, the TOM TAILOR brand posted a positive revenue trend in this challenging market environment, rising by 2.2 percent from €163.6 million to €167.2 million in the third quarter of 2019. The Retail segment drove growth, recording a revenue increase of €4.0 million or 6.1 percent compared to the previous year's quarter. Revenue for the Wholesale segment decreased slightly by €0.4 million to €97.3 million. Gross profit for the TOM TAILOR brand was at €89.6 million, compared to €90.2 million in the third quarter of 2018. This represents a gross profit margin of 53.6 percent (Q3 2018: 55.1 percent). With the first-time application of IFRS 16, reported EBITDA in the third quarter of 2019 was at €24.9 million, compared to €19.3 million in the previous year's period (without application of IFRS 16: €14.2 million). Reported EBIT was at €8.9 million (with application of IFRS 16) or €7.9 million (without application of IFRS 16), compared to €12.7 million in the third quarter of 2018.

"We are pleased with the revenue performance of the TOM TAILOR brand in the current year under report. Compared to the previous year, the Retail segment in particular gained momentum and achieved pleasing growth both in the third quarter and after nine months. Nevertheless, we are expecting a slight decline in revenue for the Group in fiscal 2019 compared to the previous year; this is mostly due to the drop in revenue for the BONITA segment," says Christian Werner, CFO of the TOM TAILOR Group.

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Revenue in the BONITA segment was at €43.4 million in the third quarter of 2019, compared to €50.7 million in the previous year's quarter. This means that the decline in revenue was significantly reduced compared to the first and second quarter of 2019. The consistent implementation of the new product range strategy with its clear focus on BONITA's target customers and shorter ordering cycles is beginning to show results. Gross profit amounted to €28.2 million, compared to €31.9 million in the third quarter of 2018. This represents a rise in the gross profit margin to 65.0 percent, compared to 63.0 in the previous year's quarter. The improvement in the gross profit margin was due to stocks being more up to date and an improved margin for the new autumn/winter collections. With the first-time application of IFRS 16, reported EBITDA was at €3.6 million (without application of IFRS 16: -€7.6 million) in the third quarter of 2019, compared to -€9.3 million in the previous year's period. The rise can be attributed mainly to the improved margin and a significant reduction of costs. Reported EBIT was at -€8.4 million (with application of IFRS 16) or -€9.3 million (without application of IFRS 16), compared to -€11.2 million in the third quarter of 2018.

Overall, the TOM TAILOR Group closed the third quarter of 2019 with turnover of €210.6 million, 1.7 percent below the previous year's figure of €214.3 million. Gross profit for the Group dropped mainly due to the decline in gross profit for the BONITA segment, reaching €117.8 million (Q3 2018: €122.2 million). The gross profit margin thus declined to 55.9 percent from 57.0 percent in the previous year. With the first-time application of IFRS 16, reported EBITDA was at €28.5 million (without application of IFRS 16: €6.6 million), compared to €10.0 million in the previous year's quarter. Reported EBIT was at €0.5 million (with application of IFRS 16) or -€1.3 million (without application of IFRS 16), compared to €1.5 million in the third quarter of 2018.

"The measures taken to strengthen the TOM TAILOR brand are paying off in a persistently challenging market environment, confirming our decision to continue investing in the quality of our products and the desirability of our lines in future," says Gernot Lenz, CEO of the TOM TAILOR Group.

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KEY FIGURES TOM TAILOR GROUP Q3 2019

in € million	Q3 2019 with IFRS 16	Q3 2019 w/o IFRS 16	Q3 2018	Change in % with IFRS 16	Change in % w/o IFRS 16
TOM TAILOR Brand					
Revenues	167.2	167.2	163.6	2.2%	2.2%
Gross Profit	89.6	89.6	90.2	-0.7%	-0.7%
Gross Profit Margin in %	53.6	53.6	55.1		
Reported EBITDA	24.9	14.2	19.3	29.1%	-26.4%
Reported EBITDA Margin in %	14.9	8.5	11.8		
TOM TAILOR Wholesale					
Revenues	97.3	97.3	97.7	-0.4%	-0.4%
Gross Profit	50.9	50.9	51.9	-2.0%	-2.0%
Gross Profit Margin in %	52.3	52.3	53.2		
Reported EBITDA	16.6	15.6	19.2	-13.1%	-18.8%
Reported EBITDA Margin in %	17.1	16.0	19.6		
TOM TAILOR Retail					
Revenues	69.9	69.9	65.9	6.1%	6.1%
Gross Profit	38.7	38.7	38.3	1.1%	1.1%
Gross Profit Margin in %	55.3	55.3	58.1		
Reported EBITDA	8.3	-1.4	0.1	>100%	>-100%
Reported EBITDA Margin in %	11.8	-2.0	0.2		
BONITA					
Revenues	43.4	43.4	50.7	-14.4%	-14.4%
Gross Profit	28.2	28.2	31.9	-11.7%	-11.7%
Gross Profit Margin in %	65.0	65.0	63.0		
Reported EBITDA	3.6	-7.6	-9.3	>100%	18.2%
Reported EBITDA Margin in %	8.4	-17.5	-18.3		
TOM TAILOR Group					
Revenues	210.6	210.6	214.3	-1.7%	-1.7%
Gross Profit	117.8	117.8	122.2	-3.6%	-3.6%
Gross Profit Margin in %	55.9	55.9	57.0		
Reported EBITDA	28.5	6.6	10.0	>100%	-34.1%
Reported EBITDA Margin in %	13.6	3.1	4.7		

General remark: Due to the disclosure of rounded figures, individual totals may differ from the total of their individual items.

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KEY FIGURES TOM TAILOR GROUP 9M 2019

in € million	9M 2019 with IFRS 16	9M 2019 w/o IFRS 16	9M 2018	Change in % with IFRS 16	Change in % w/o IFRS 16
TOM TAILOR Brand					
Revenues	450.3	450.3	441.4	2.0%	2.0%
Gross Profit	249.2	249.2	249.3	-0.1%	-0.1%
Gross Profit Margin in %	55.3	55.3	56.5		
Reported EBITDA	54.7	22.3	43.4	25.9%	-48.6%
Reported EBITDA Margin in %	12.1	5.0	9.8		
TOM TAILOR Wholesale					
Revenues	248.1	248.1	248.7	-0.2%	-0.2%
Gross Profit	131.3	131.3	133.2	-1.4%	-1.4%
Gross Profit Margin in %	52.9	52.9	53.5		
Reported EBITDA	28.7	25.4	42.0	-31.7%	-39.4%
Reported EBITDA Margin in %	11.5	10.2	16.9		
TOM TAILOR Retail					
Revenues	202.1	202.1	192.7	4.9%	4.9%
Gross Profit	117.8	117.8	116.2	1.4%	1.4%
Gross Profit Margin in %	58.3	58.3	60.3		
Reported EBITDA	26.0	-3.1	1.5	>100%	>-100%
Reported EBITDA Margin in %	12.9	-1.5	0.8		
BONITA					
Revenues	134.0	134.0	172.1	-22.2%	-22.2%
Gross Profit	86.9	86.9	115.7	-24.9%	-24.9%
Gross Profit Margin in %	64.9	64.9	67.2		
Reported EBITDA	12.2	-22.3	-6.6	>100%	>-100%
Reported EBITDA Margin in %	9.1	-16.7	-3.8		
TOM TAILOR Group					
Revenues	584.3	584.3	613.5	-4.8%	-4.8%
Gross Profit	336.1	336.1	365.1	-7.9%	-7.9%
Gross Profit Margin in %	57.5	57.5	59.5		
Reported EBITDA	66.9	0.0	36.8	81.8%	-100.0%
Reported EBITDA Margin in %	11.4	0.0	6.0		

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About TOM TAILOR Group

TOM TAILOR Group is an international, vertically integrated fashion company focused on casual wear in the medium price segment. The product portfolio is complemented by an extensive range of fashionable accessories. With its brands, the company covers the various core segments of the fashion market. The TOM TAILOR brand is marketed through the retail and wholesale segments, and thus through single-label stores as well as wholesale partners. These include 458 TOM TAILOR stores and 181 franchise stores, 2,573 shop-in-shops and 7,736 multi-label points of sale as at 30 September 2019. The brand is present in more than 32 countries. The BONITA brand has 713 retail stores and 61 shop-in-shop spaces as at 30 September 2019. The collections of both brands are also available through their respective online shops.

Information is also available at www.tom-tailor-group.com

Investor Contact

Viona Brandt
Head of Investor Relations
TOM TAILOR Group
Telefon: +49 (0) 40 58956-449
E-Mail: viona.brandt@tom-tailor.com

Media Contact

Erika Kirsten
Senior Manager Unternehmenskommunikation
TOM TAILOR Group
Telefon: +49 (0) 40 58956-816
E-Mail: erika.kirsten@tom-tailor.com