



PRESS RELEASE

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Supervisory Board and Management Board decide comprehensive set of cost-cutting measures aimed at a sustainable improvement in earnings

The COVID-19 pandemic is being combated with extensive measures throughout Europe. In spring 2020, extensive closings for clothing retailers were ordered in many countries. Following the gradual reopening since May 2020, travel restrictions and the compulsory wearing of face masks are hampering fashion sales, leading to sharply declining sales in retail, which cannot be offset even by the increase in e-commerce business. As a result, the sales level of 2019 will not be attainable this year or next.

In order to adapt the cost situation to the lower sales expectations the Supervisory Board and the Management Board have decided comprehensive reorganisation measures. These will lead to a reduction in personnel of around 80 employees, thereof about 65 in Germany, across all areas and hierarchical levels.

In addition to a few individual measures for reorganization, the measures particularly include the relocation of logistics services and the Pionier workwear model department from Herford, Germany to Poland. The logistics at the Bielefelder Straße in Herford will continue to be active until May 31, 2021.

The aim is to implement the job cuts in a socially acceptable measure and in constructive cooperation with the employee representatives. In order to keep the number of redundancies for operational reasons as low as possible, the focus is on voluntary part-time models, partial retirement, the use of natural fluctuation and internal staff changes. Preparatory talks with the employee committees have already begun. As a result, personnel costs should continue to decline significantly until the end of the fiscal year 2022 and, together with the expected increase in sales revenues from 2022, contribute to a significant improvement in earnings and return to profitability. For the set of measures, provisions of around EUR 3.5 million are likely to be necessary in the 2019/20 financial year.

Inquiries:

Carla Henkel

Tel. +49 (0) 5221 / 9792717

Fax:+49 (0) 5221 / 979274

Email: carla.henkel@ahlers-group.com