
HALF-YEAR REPORT 2020



CALIDAGROUP



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CALIDA GROUP is well placed thanks to its online business and forward-looking strategy



Reiner Pichler and Hans-Kristian Hoejsgaard

DEAR SHAREHOLDERS

In this letter, we had planned to report to you about rising revenue and about how we had successfully continued with the implementation of our strategy. Instead of this, our development has been seriously affected by COVID-19.

The year 2020 got off to a very positive start for the CALIDA GROUP. This all changed in mid-March when the coronavirus crisis reached Europe. Mid-March we were required by administrative orders to close virtually all of our stores and points of sale at important retail partners.

From the outset, maintaining our business and financial stability were our top priority. We immediately set up a crisis team, which ensured that the CALIDA GROUP and its employees, customers and business partners stayed healthy and came through this crisis unscathed. In addition, we had shifted our focus to the online channel at an early stage and were therefore able to compensate for some of the lost revenue in the bricks-and-mortar business.

Even if the crisis has not yet been weathered, the measures we have put in place have proven to be successful to this day, ensuring both the continuation of business operations and the health of our employees. We would like to provide more detailed information on some key issues below.

PROTECTING EMPLOYEES, CUSTOMERS AND CONSUMERS

Protecting our employees and customers is always our top priority. After the outbreak of the virus we made it possible for all employees to work from home where this made sense. This was an extraordinary achievement on the part of our IT department, which very quickly put in place the technical requirements to facilitate remote working and ensure data security at the same time. Wherever this was not possible for operational reasons appropriate safeguards were put in place. This applies in particular to employees in production and logistics.

In order to protect our customers and employees, from mid-March we had to close all of our stores in Switzerland, Germany and France. Even though this caused a significant drop in revenue, we are convinced that it was the right decision.

22.5%

**E-commerce share
of total sales**

CRISIS MANAGEMENT

We are very proud of how our employees and the organisation have responded to this crisis. Investments in team building in recent years have led to a greater sense of belonging in the CALIDA GROUP which has been of great help to us in these testing times.

Each of our divisions has exercised social responsibility and supported the region where they are based. For example, CALIDA and the MILLET MOUNTAIN GROUP both shifted production at short notice to producing masks and medical protective clothing, and made these available to local hospitals in Switzerland and France. LAFUMA MOBILIER also supported local hospitals with sterile loungers for hospital staff to relax.

REVENUE DEVELOPMENT

Our revenue development at the beginning of the year was highly satisfactory. However, the closure of all of our stores and points of sale from mid-March to the end of April in Germany or mid-May in Switzerland and France inevitably led to a drop in revenue. Even if the development since the reopening of the stores has been very positive and all of our brands are experiencing above-average sales, revenue adjusted for exchange rate effects in the first half of 2020 did decline by 14.6 percent.

Our forward-looking investments in e-commerce have enabled us to compensate for a large amount of lost revenue. The Group recorded online revenue growth of 59.2 percent and already generates more than 22.5 percent of revenue online, which is well above the market average. Investments made in recent years in our e-commerce business have once more paid off and have shown that this business segment will be decisive in the future for the fashion industry and the CALIDA GROUP. We believe that we are ideally placed in this regard and will also continue to drive forward digitisation across all channels.

FINANCIAL STABILITY

The drop in revenue which was abrupt and unprecedented in terms of its intensity has had a negative impact on our earnings. However, as the CALIDA GROUP managed its business sustainably in the past and had an equity ratio of 59.4 percent and no net debt at the end of 2019, we were better prepared to deal with this crisis than the competition.

59.2%

**Growth in e-commerce
(FX adjusted)**

53.8%

Equity ratio

27.5

**Million CHF
net liquidity**

Nevertheless, the pandemic did lead to a decrease in the operating result in the first half of 2020, which resulted in an operating loss before non-recurring effects of CHF 4.4 million and an adjusted EBITDA of CHF -0.6 million. A restrictive spending policy combined with forward-looking management of net working capital led to a free cash flow of CHF -5.9 million compared to CHF -5.5 million in the prior year. Consequently, the statement of financial position remains free of net debt and, at 53.8 percent, the equity ratio continues to be at a high level.

Financially, the CALIDA GROUP is in an extremely sound position. On the back of the strategic measures that we have introduced in recent years, we are therefore looking with respect but positive in the future.

OUTLOOK

Dear shareholders, we are convinced that the effects of the coronavirus crisis will impact our lives for the foreseeable future. Wearing a mask to go shopping and regular disinfecting is already no longer anything out of the ordinary. Moving forward, digitisation and e-commerce combined with a retail industry that has a stronger focus on service and innovation will play a key role. So while we do not expect any fundamental change among consumers, we do expect COVID-19 to accelerate existing trends. Last year, we presented our six core strategic measures to you: Raising the appeal of the brand, digitising the business model and expanding through e-commerce, launching innovations continually, focusing stringently on the customer and sustainability. We are convinced that these levers will gain even more quickly in importance and enable us to record profitable growth.

The coronavirus crisis has shown that the CALIDA GROUP was significantly better prepared to face the crisis than the market.

We will continue to rigorously implement our strategy and put the customer and their needs at the heart of everything we do.

A further strategic milestone in the transformation of the CALIDA GROUP was the sale of our less profitable subsidiary OXBOW and the EIDER brand. The focus that comes along with this allows us to further optimise our processes and increase our profitability.

It is not easy to project the outlook for the second half of 2020. It depends to a very large extent on how COVID-19 develops. If the crisis develops in a way that allows for a further easing of government restrictions, it will be possible to compensate for a proportion of the lost revenue and earnings from the coronavirus lockdown in the second half of the year.

Finally, we would like to say a big thank you to all of our employees, customers and business partners. We have witnessed a great deal of understanding from all parties and are impressed how everyone has pulled together to emerge stronger together out of this crisis.

Many sincere thanks,



Hans-Kristian Hoejsgaard
Chairman of the Board
of Directors



Reiner Pichler
Chief Executive Officer




CALIDA stands for top quality, comfort, innovation and sustainability. Through targeted investments in recent years, the brand has succeeded in further strengthening and promoting precisely these values and consolidating its position as a key player on the international stage and a pioneer in terms of sustainability in the underwear segment.

CALIDA's comeback at the Salon de la Lingerie in Paris wowed an international audience. The central theme of this year's event perfectly complemented CALIDA's core competence, sustainability. CALIDA was able to present a special highlight: the first 100 percent biologically degradable designer Capsule Collection ever seen in the industry. Developed in cooperation with the luxury fashion house Viktor&Rolf, the collection meets the highest sustainability standards. All of the styles are certified according to both "MADE IN GREEN by Oeko-Tex®" and "Cradle to Cradle Certified™" and are therefore 100 percent compostable. The Viktor&Rolf X CALIDA Capsule Collection supports CALIDA's expansion and internationalisation strategy as a claim to being sustainable touches upon exactly the right issue to reach new customers and the younger generation.

With the outbreak of the COVID-19 pandemic CALIDA mobilised its capacity and resources to use its own production platform to manufacture high-quality hygiene masks from organic cotton and compostable Tencel™, Lyocell and thereby making a contribution to the health and safety of society as a whole. In cooperation with the organisation Trees Of Life, a tree will be planted for every Tencel™ mask sold.

In spring 2020, CALIDA was awarded the Swiss Ethics Prize for its "Cradle to Cradle Certified™" "100% NATURE" series. The prize, which is awarded by the School of Management and Engineering Vaud (HEIG-VD), celebrates organisations for their endeavours in the field of ethics, sustainable development and social responsibility.

Adjusted for exchange rate effects, net sales decreased by 11.3 percent and in nominal terms by 14.4 percent, from CHF 63.1 million to CHF 54.0 million. Despite the targeted measures, the operating profit margin decreased from CHF 14.0 million (22.1 percent of net sales) to CHF 10.8 million (20.0 percent).

AUBADE stands for seduction, sensuality, femininity and innovation. It is in this spirit that AUBADE has collaborated for the Fall Winter 2020 collection with the young Chinese painter Hong Wai, which resulted in an outstanding lingerie line. To support this collaboration, AUBADE has set up a 360-degree communication plan with shop windows in our retail stores, podiums in department stores, public relations campaigns and much more.

At the end of last year, AUBADE launched its new website with a fully responsive design and new features. This has allowed the brand to position itself even better. Online revenue rose sharply by 24.6 percent. Moreover, income generated from mobile devices more than doubled and now accounts for 1 out of 3 sales.

AUBADE has continued to strengthen its omni-channel strategy with new services such as store to web in order to further enhance the customer experience.

Investments in digitalisation are continuing with the development of a new CRM tool which will allow us to better understand consumer habits in terms of consumption and respond to their needs.

Adjusted for exchange rate effects and in nominal terms, net sales decreased by 20.6 percent, from EUR 27.6 million to EUR 21.9 million. Despite the targeted measures, the operating profit margin decreased from EUR 7.3 million (26.6 percent of net sales) to EUR 4.6 million (21.1 percent).



2020 marks a new chapter for the MILLET MOUNTAIN GROUP. After selling the EIDER brand to the South Korean group K2, MILLET MOUNTAIN GROUP is refocusing its activities on the brands MILLET and LAFUMA. Two brands that complement each other perfectly: MILLET for mountain sports and alpine pursuits, LAFUMA for the outdoors and for leisure. Both brands possess the key strength of not depending on one season or product category – their coherent ranges across apparel, equipment and footwear form a complete, year-round offering.

MILLET is an authentic alpine brand, which caters to all mountain lovers in a reliable and sustainable way by providing them with high performance products to achieve their goals.

LAFUMA is a pioneering outdoor brand, which offers our consumers affordable and durable products to enjoy nature and the urban environment in a sustainable way.

2020 has been, of course, heavily impacted by the crisis caused by COVID-19. On 16 March, it was put into action a demanding and pro-active crisis plan to overcome this.

The MILLET MOUNTAIN GROUP is convinced that tomorrow, it will look back on this crisis as a catalyst of positive change. The company is seeing the acceleration of the CSR strategy but also the strengthening of the quality commitment, to deliver products that are even more sustainable. The MILLET MOUNTAIN GROUP considers making a contribution to preserving nature as one of the most important responsibilities. With the positive development of the brands MILLET and LAFUMA, the company wants to continue to be an innovative partner for the consumers. The goal for the MILLET MOUNTAIN GROUP is to exit this crisis in better and stronger shape.

Adjusted for exchange rate effects, net sales decreased by 33.8 percent and in nominal terms by 33.5 percent, from EUR 41.1 million to EUR 27.3 million. Despite the targeted measures, the operating profit margin decreased from EUR 6.2 million (15.1 percent of net sales) to EUR -0.3 million (-1.0 percent).

Despite the repercussions of the COVID-19 crisis, which adversely affected the supply chain and sales on account of the closure of bricks-and-mortar sales channels in Europe from mid-March to the start of May 2020, LAFUMA MOBILIER proved to be very resilient and recorded growth in the first half of 2020. This is due to the rigorous implementation of strategic measures in recent years.

LAFUMA MOBILIER benefited from investments in the Home and Garden product categories and was able to increase its market share using its five-year plan, which is geared towards digitisation, internationalisation and an increased market presence with the outdoor products manufactured in France as a core element. For the first time, LAFUMA MOBILIER was selected by market experts as France's most popular outdoor furniture brand and awarded the "Trophée Jardin Plus" prize.

In the first half of the year LAFUMA MOBILIER further expanded its collection and sales function. The Privilege line was showcased from May to June in a pop-up store in BHV Marais in Paris and in four shops in Germany and Switzerland, the most important international markets.

In addition, LAFUMA MOBILIER took part in a well-being campaign in the COVID-19 solidarity movement and donated around 100 loungers to several hospitals in Europe for hospital staff to relax (these include the clinics in Cochin and Necker in Paris as well as hospitals in Lyon, Grenoble, Lucerne, Brussels, Milan and Bergamo).

Adjusted for exchange rate effects, net sales increased by 3.4 percent, 3.5 percent in nominal terms, from EUR 31.0 million to EUR 32.1 million. The operating profit margin decreased slightly from EUR 10.4 million (33.5 percent of net sales) to EUR 10.0 million (31.1 percent).



LAFUMA | Jacket | Staten loft
LAFUMA | Backpack | Active
© Stephane Cande



CALIDA GROUP at a glance

CALIDA GROUP is a globally active apparel group with its head office in Switzerland. It consists of the brands CALIDA and AUBADE in the lingerie segment, MILLET and LAFUMA in the alpine sports and outdoor segment as well as the outdoor furniture brand LAFUMA MOBILIER. The Group generated revenue of around CHF 404 million in 2019 with around 3'000 employees. CALIDA Holding AG is listed on the SIX Swiss Exchange.

SELECTED KPIS

	First Half-Year 2020	First Half-Year 2019	Change
Net sales ¹⁾	146'169	179'962	-18.8%
Change adjusted for exchange rate effects			-14.6%
EBITDA before non-recurring effect ^{1) 2)}	-637	10'661	-106.0%
as a % of net sales	-0.4%	5.9%	
Operating loss (profit) (EBIT) before non-recurring effect ^{1) 2)}	-4'433	6'459	-168.6%
as a % of net sales	-3.0%	3.6%	
Operating loss (profit) (EBIT) ¹⁾	-8'223	6'459	-227.3%
as a % of net sales	-5.6%	3.6%	
Net loss (income) ¹⁾	-9'753	3'882	-351.2%
as a % of net sales	-6.7%	2.2%	
Cash and cash equivalents	69'694	33'834	
Current financial liabilities	-42'182	-31'346	
Financial liabilities	-42'182	-31'346	
Net liquidity	27'512	2'488	
Operating cash flow	-3'269	6'929	
as a % of net sales	-2.2%	3.9%	
Free cash flow ²⁾	-5'851	-5'467	
as a % of net sales	-4.0%	-3.0%	
Equity ratio ²⁾	53.8%	60.4%	
Net loss (income) from continuing operations per registered share in CHF	-1.12	0.33	
Headcount as of 30 June	2'731	3'022	

¹⁾ from continuing operations

²⁾ see page 12-13 – Alternative performance measures

ALTERNATIVE PERFORMANCE MEASURES

The financial information in this half-year report contains certain alternative performance measures (APMs), which are not accounting policies defined by IFRS. The CALIDA GROUP is of the opinion that disclosing an adjusted EBIT leads to a better understanding of the results as it excludes elements that are either non-recurring or extraordinary. Adjusted EBIT excludes these kinds of effects (for example: M&A transactions, impairments, restructuring, legal cases and other non-recurring items, which can vary considerably over the course of time). Adjusted EBIT thus facilitates the comparison of business performance over two comparable periods. Because there is no standardised definition of adjusted EBIT, it is not comparable with other companies (unlike IFRS indicators). Adjusted EBIT should not be treated as a substitute for IFRS indicators.

ADJUSTED OPERATING RESULTS (EBIT), ADJUSTED EBITDA

HY 2020

	IFRS	Impairments ¹⁾	Restructuring ²⁾	M&A transactions ³⁾	Other ⁴⁾	Adjusted
Net sales	146'169	-	-	-	-	146'169
Operating income	157'485	-	-	-8'861	-	148'624
Operating expenses	-165'708	4'555	8'096	-	-	-153'057
Operating loss	-8'223	4'555	8'096	-8'861	-	-4'433
Depreciation and amortisation	15'218	-2'463	-	-	-	12'755
Leasing expense	-	-	-	-	-8'959	-8'959
EBITDA	6'995	2'092	8'096	-8'861	-8'959	-637

HY 2019

	IFRS	Impairments ¹⁾	Restructuring ²⁾	M&A transactions ³⁾	Other ⁴⁾	Adjusted
Net sales	179'962	-	-	-	-	179'962
Operating income	181'812	-	-	-	-	181'812
Operating expenses	-175'353	-	-	-	-	-175'353
Operating profit	6'459	-	-	-	-	6'459
Depreciation and amortisation	12'796	-	-	-	-	12'796
Leasing expense	-	-	-	-	-8'594	-8'594
EBITDA	19'255	-	-	-	-8'594	10'661

¹⁾ Impairments: Impairment of financial or non-financial assets on account of exceptional circumstances or non-recurring events. In the first half of 2020, COVID-19 had a significant impact on the performance of the CALIDA GROUP stores. Consequently, an additional CHF 4'555 in impairment losses were recognised on right-of-use assets and inventories. For more information, please see page 25 note 5.

²⁾ Restructuring: This includes measures to improve organisational and business processes. The EIDER brand was sold in the first half of 2020, which led to restructuring at the LAFUMA GROUP. The company also decided to change the operating business model of the LAFUMA location in China and restructuring measures were initiated accordingly.

³⁾ M&A transactions: Effects resulting from transactions at a business unit-level such as mergers, acquisitions, business unit transfers, third party takeovers, out-sourcing/insourcing, spin-offs, carve-outs or business cooperations. In the first half of 2020, the CALIDA GROUP recognised a net gain on the sale of EIDER.

⁴⁾ Other: Non-recurring, unusual and rare incidents that cannot be allocated to any of the categories above. There were no such events in the first half of 2020. The leasing expenses for the EBITDA calculation are also shown in this category.

EBITDA (ADJUSTED)

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation) is determined based on EBIT (pursuant to IFRS) plus amortisation, depreciation and impairment losses recorded in the income statement or less reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets. Lease expenses correspond to the lease payments and are deducted in the calculation of the adjusted EBITDA to exclude the IFRS 16 impact. Furthermore, the non-recurring items described in the first paragraph under alternative performance measures are taken into account for the adjusted EBITDA.

EQUITY RATIO

The Board of Directors assesses the equity ratio excluding IFRS 16. Furthermore, the covenants in the syndicated loan agreement with the banking syndicate are also reported excluding IFRS 16. The adjusted equity ratio shows recorded equity in relation to total equity and liabilities less lease liabilities.

	30.06.2020	31.12.2019	30.06.2019
Equity ratio recognised	44.8%	48.7%	48.9%
Adjusted equity ratio – IFRS 16	53.8%	59.4%	60.4%

ADJUSTED FOR EXCHANGE RATE EFFECTS

This measure eliminates the effects of changes in exchange rates compared to the prior period. It accounts for the effects of exchange rate movements on the translation of the earnings of foreign subsidiaries in the income statement. When translating the results of subsidiaries, the prior period is translated using the current exchange rate.

ORGANIC GROWTH

Revenue growth excluding the contribution to revenue from business combinations and currency effects.

E-COMMERCE GROWTH

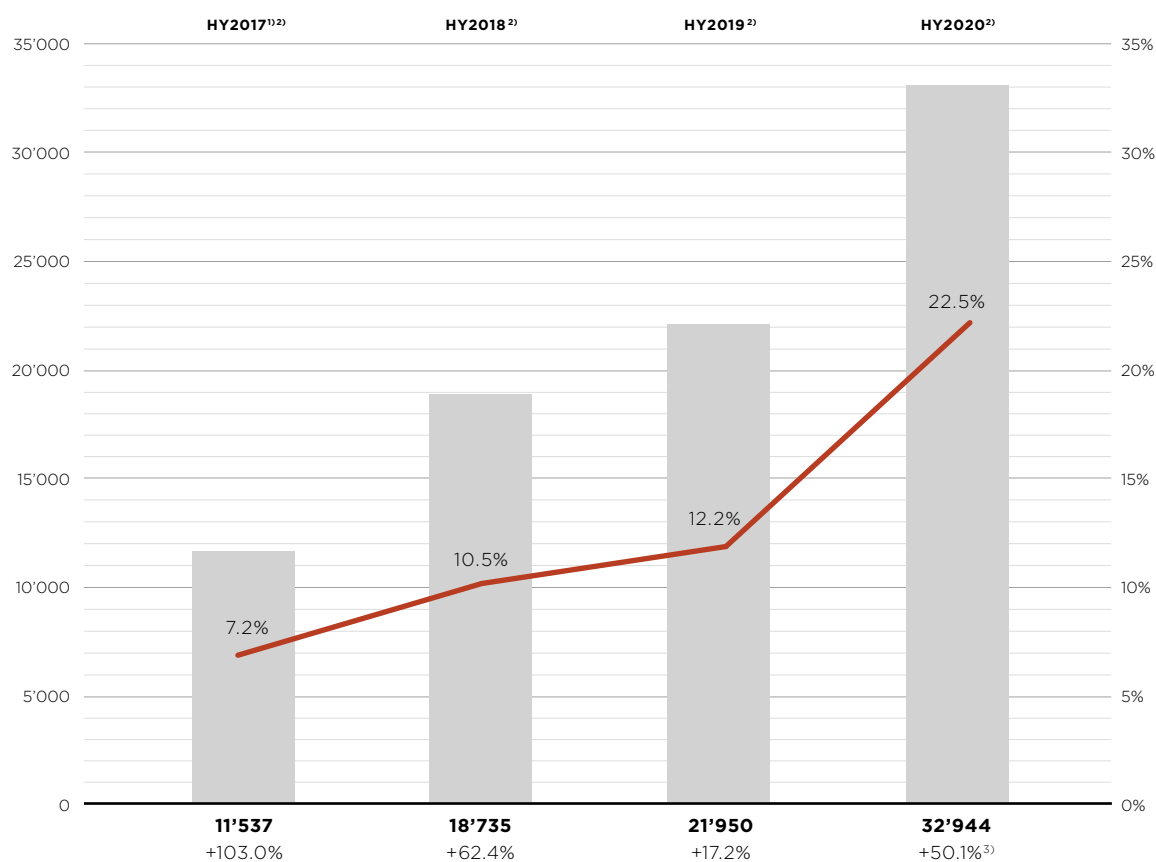
Revenue growth from the sale of products via the CALIDA GROUP's own online shops and market places.

FREE CASH FLOW

Free cash flow represents the Group's ability to conduct and maintain its business operations, finance dividend payments, repay debts and carry out acquisitions. Free cash flow is calculated using cash flow from operating activities less cash flow from investing activities, including cash outflows for lease payments.

	01.01.– 30.06.2020	01.01.– 30.06.2019
Cash flow from operating activities	-3'269	6'929
Cash flow from investing activities	6'902	-3'134
Cash outflows from leases	-9'484	-9'262
Free cash flow	-5'851	-5'467

DEVELOPMENT E-COMMERCE



¹⁾ Acquisition of Reich Online Services GmbH as of 1 March 2017

²⁾ Continuing operations

³⁾ FX-adjusted +59.2%

■ e-commerce
— in % of net sales

Net sales
Variance to prior year

The activities of the Group's divisions show seasonal fluctuations. (Further details on seasonal sales development are provided in note 1 of the notes to the consolidated interim financial statements on page 23).



Consolidated interim financial statements 2020

CALIDA GROUP

Group statement of financial position

(condensed)

	30.06.2020	31.12.2019	30.06.2019
Cash and cash equivalents	69'694	57'850	33'834
Trade accounts receivable	30'629	33'955	33'731
Inventories	79'328	87'320	100'082
Other current assets	18'021	19'559	21'318
Current assets	197'672	198'684	188'965
Property, plant and equipment	17'629	19'573	20'155
Right-of-use assets	74'069	87'219	91'825
Intangible assets	54'448	57'894	59'699
Other non-current assets	12'358	11'554	10'708
Non-current assets	158'504	176'240	182'387
Assets	356'176	374'924	371'352
Current financial liabilities	42'182	23'614	31'346
Current lease liabilities	15'231	17'812	17'144
Trade accounts payable	20'793	24'154	23'321
Current provisions	6'343	1'648	1'780
Other current liabilities	50'741	57'468	46'849
Current liabilities	135'290	124'696	120'440
Non-current lease liabilities	44'438	49'710	53'636
Non-current provisions	3'767	4'025	3'952
Other non-current liabilities	13'077	13'985	11'735
Non-current liabilities	61'282	67'720	69'323
Liabilities	196'572	192'416	189'763
Equity held by shareholders of CALIDA Holding AG	154'425	174'456	169'618
Non-controlling interests	5'179	8'052	11'971
Equity	159'604	182'508	181'589
Equity and liabilities	356'176	374'924	371'352

Group income statement and statement of comprehensive income

(condensed)

CONSOLIDATED INCOME STATEMENT

	01.01. – 30.06.2020 ¹⁾	01.01. – 30.06.2019 ¹⁾	01.01. – 31.12.2019 ¹⁾
Net sales	146'169	179'962	372'039
Operating income	157'485	181'812	376'310
Operating expenses	-165'708	-175'353	-352'790
Operating loss (profit)	-8'223	6'459	23'520
Financial result, net	-718	-1'394	-2'215
Net loss (income) from continuing operations before income taxes	-8'941	5'065	21'305
Income taxes	-812	-1'183	-4'491
Net loss (income) from continuing operations	-9'753	3'882	16'814
Net loss (income) from a discontinued operation, after taxes ¹⁾	-7'473	-357	-249
Net loss (income)	-17'226	3'525	16'565
attributable to:			
shareholders of CALIDA Holding AG	-16'205	3'060	15'667
non-controlling interests	-1'021	465	898
Net loss (income) per registered share in CHF from continuing operations	-1.12	0.33	1.87
Diluted net loss (income) per registered share in CHF from continuing operations	-1.12	0.33	1.87
Net loss (income) per registered share in CHF	-1.97	0.37	1.90
Diluted net loss (income) per registered share in CHF	-1.97	0.37	1.90

¹⁾ OXBOW is reported under discontinued operations. The figures for comparable periods have been restated.

STATEMENT OF COMPREHENSIVE INCOME

	01.01. – 30.06.2020	01.01. – 30.06.2019	01.01. – 31.12.2019
Net loss (income)	-17'226	3'525	16'565
Items that might be reclassified to profit and loss, after tax			
Exchange differences recognised in equity	-3'337	-1'161	-4'967
Remeasurements of cash flow hedges	419	-194	-1'697
Items that cannot be reclassified to profit and loss, after tax			
Remeasurements of defined benefit plans	311	-1'083	-4'045
Other comprehensive income	-2'607	-2'438	-10'709
Total comprehensive income	-19'833	1'087	5'856
attributable to:			
shareholders of CALIDA Holding AG	-18'661	787	5'427
non-controlling interests	-1'172	300	429

Group statement of changes in equity

	Share capital	Treasury shares	Capital reserves	Retained earnings	Exchange differences	Reserves	Equity held by shareholders of CALIDA Holding AG	Non-controlling interests	Equity
1 January 2019	826	-536	6'363	199'039	-31'002	174'400	174'690	11'620	186'310
<i>Net income</i>	-	-	-	3'060	-	3'060	3'060	465	3'525
<i>Other comprehensive income</i>	-	-	-	-1'237	-1'036	-2'273	-2'273	-165	-2'438
Total comprehensive income	-	-	-	1'823	-1'036	787	787	300	1'087
Dividend from capital contribution reserves	-	-	-6'593	-	-	-6'593	-6'593	-	-6'593
Share-based payments	-	-	370	-	-	370	370	-	370
Result from hedge accounting transferred to cost of inventories	-	-	-	364	-	364	364	51	415
30 June 2019	826	-536	140	201'226	-32'038	169'328	169'618	11'971	181'589

1 January 2020	826	-536	542	209'506	-35'882	174'166	174'456	8'052	182'508
<i>Net loss</i>	-	-	-	-16'205	-	-16'205	-16'205	-1'021	-17'226
<i>Other comprehensive income</i>	-	-	-	698	-3'154	-2'456	-2'456	-151	-2'607
Total comprehensive income	-	-	-	-15'507	-3'154	-18'661	-18'661	-1'172	-19'833
Acquisition of non-controlling interests	-	-	-	-550	-140	-690	-690	-1'638	-2'328
Share-based payments	-	-	228	-	-	228	228	-	228
Result from hedge accounting transferred to cost of inventories	-	-	-	-908	-	-908	-908	-63	-971
30 June 2020	826	-536	770	192'541	-39'176	154'135	154'425	5'179	159'604

Group statement of cash flows

(condensed)

	01.01. – 30.06.2020	01.01. – 30.06.2019	01.01. – 31.12.2019
Net loss (income)	-17'226	3'525	16'565
Depreciation, amortisation and impairments (property, plant and equipment / intangible assets)	4'008	4'535	8'783
Depreciation of right-of-use assets	11'782	8'991	18'810
Other adjustments for non-cash items	584	3'350	8'356
Increase (-) / decrease (+) in net working capital	-5'412	-12'933	10'780
Increase (+) / decrease (-) in provisions	4'747	-159	-114
Income taxes paid	-1'752	-380	-1'663
Cash flow from operating activities	-3'269	6'929	61'517
Investments in property, plant and equipment / intangible assets	-2'489	-3'299	-9'379
Sale of property, plant and equipment / intangible assets	10'639	114	117
Outflow of cash and cash equivalents from the sale of group companies	-242	-	-
Increase (-) / decrease (+) in financial assets / interest received	-1'006	51	-84
Cash flow from investing activities	6'902	-3'134	-9'346
Increase (-) / decrease (+) in financial liabilities / interest paid	20'848	2'503	-4'881
Repayment of lease liabilities / interest paid on lease liabilities	-9'484	-9'262	-19'080
Dividend from capital contribution reserve	-	-6'591	-6'591
Options exercised from share-based payment plan	-	-	47
Acquisition of non-controlling interests	-2'328	-	-5'770
Cash flows from financing activities	9'036	-13'350	-36'275
Impact of exchange rate fluctuations on cash and cash equivalents	-825	-224	-1'659
Change in cash and cash equivalents	11'844	-9'779	14'237
Cash and cash equivalents at the beginning of the period	57'850	43'613	43'613
Cash and cash equivalents at the end of the period	69'694	33'834	57'850

The cash flow statement includes continuing and discontinued operations.

The cash flows from the discontinued operation are disclosed separately on page 26.

Notes to the consolidated interim financial statements

The figures in the notes to the consolidated interim financial statements are presented in thousand Swiss francs (CHF 1'000) unless indicated otherwise (information on share prices, dividends and earnings per share are presented in CHF 1).

Basis of preparation

GENERAL

The consolidated interim financial statements comprise the unaudited consolidated results of CALIDA Holding AG and its directly or indirectly controlled subsidiaries ("CALIDA GROUP") for the period from 1 January to 30 June 2020. The report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated financial statements for 2019 as it provides an update of the information reported there.

ACCOUNTING, CONSOLIDATION AND MEASUREMENT PRINCIPLES

The accounting policies applied in the consolidated interim financial statements are consistent with the consolidation and measurement principles disclosed in the 2019 consolidated financial statements, except for the amendments discussed below.

The following amended International Financial Reporting Standards (IFRSs) are applicable from 1 January 2020. The implications for the interim financial statements of the CALIDA GROUP are outlined below.

IFRS 3	Definition of a business ¹⁾
IFRS 7, IFRS 9	Interest rate benchmark reform ¹⁾
IAS 1, IAS 8	Definition of materiality ¹⁾
Annual improvement process	Omnibus of amendments to various IFRSs, primarily with a view to removing inconsistencies and clarifying wording ¹⁾

¹⁾ No significant impact on the financial position and performance or cash flows of the CALIDA GROUP.

The IASB made an amendment to IFRS 16 Leases as a practical expedient for lessees for the accounting treatment of concessions, such as deferring rent payments or rent reductions, that have been granted directly in connection with the coronavirus pandemic. The CALIDA GROUP applied this amendment as per 1 January 2020 retrospectively. However, it did not have a significant impact on the financial position and performance or cash flows of the CALIDA GROUP.

ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period, and the amount of income and expenses during the reporting period. Assets and liabilities are recognised when it is probable that any future economic benefit associated with the item will flow to or from the entity and value or cost can be measured reliably. If these estimates and assumptions – made by management to the best of their knowledge as of the reporting date – prove to differ significantly from the actual circumstances at a later point in time, the original estimates and assumptions are adjusted in the period in which the circumstances changed.

FOREIGN CURRENCY TRANSLATIONS

The following exchange rates are used for the translation into Swiss francs (CHF) for the CALIDA GROUP's major currencies:

Exchange rates at reporting date

	Unit	30.06.2020	30.06.2019	31.12.2019
EUR	1	1.0683	1.1112	1.0858
USD	1	0.9499	0.9774	0.9692
HUF	100	0.3000	0.3431	0.3288
GBP	1	1.1654	1.2390	1.2710
TND	1	0.3321	0.3398	0.3475
JPY	100	0.8819	0.9069	0.8893
CNY	1	0.1342	0.1421	0.1387

Average exchange rates for the half-year/year

	Unit	01.01.- 30.06.2020	01.01.- 30.06.2019	01.01.- 31.12.2019
EUR	1	1.0639	1.1294	1.1123
USD	1	0.9659	0.9999	0.9937
HUF	100	0.3079	0.3524	0.3418
GBP	1	1.2165	1.2937	1.2676
TND	1	0.3374	0.3328	0.3392
JPY	100	0.8924	0.9086	0.9116
CNY	1	0.1373	0.1474	0.1438



Notes to the consolidated interim financial statements

1. SEASONALITY OF OPERATING BUSINESS

The activities of the Group's divisions show seasonal fluctuations. Experience has shown sales in the CALIDA division to be significantly higher in the second half of the year, while the operating expenses remain relatively stable. In the first six months, inventories are increased, which burdens liquidity and also lowers the segment's operating profit contribution by not yet realised contribution margins. There are no major seasonal fluctuations in sales between the first and second half of the year in the AUBADE division. The operating expenses remained relatively stable over the course of the year. The brand MILLET of the MILLET MOUNTAIN GROUP recognises significantly higher sales with corresponding operating profit contribution in the second half of the year as it is strongly oriented towards the winter. These seasonal fluctuations at CALIDA and the MILLET MOUNTAIN GROUP division are partially offset by the activities of the LAFUMA MOBILIER with its garden furniture, which realises the majority of sales in the first half of the year.

2. IMPACT OF COVID-19

The revenue development at the beginning of the year was highly satisfactory. However, the closure of all the stores and points of sale from mid-March to the end of April in Germany or mid-May in Switzerland and France inevitably led to a drop in revenue. Even if the development since the reopening of the stores has been very positive and all of the brands are experiencing above-average sales, revenue adjusted for exchange rate effects in the first half of 2020 did decline by 14.6%. The forward-looking investments in e-commerce have enabled the CALIDA GROUP to compensate for a large amount of lost revenue. The Group recorded online revenue growth of 59.2% (fx-adjusted) and already generates more than 22.5% of revenue online, which is well above the market average. Investments made in recent years in the e-commerce business have once more paid off and have shown that this business segment will be decisive in the future for the fashion industry and the CALIDA GROUP. The CALIDA GROUP believes that it is ideally placed in this regard and will also continue to drive forward digitisation across all channels. Further effects are described in note 5.

3. SEGMENT REPORTING

As chief operating decision maker, the CALIDA GROUP Executive Management determines the business activities and monitors internal reporting to assess performance and make decisions about resources to be allocated. After the sale of OXBOW, the CALIDA GROUP has four reportable segments, which are organised and managed in line with the market orientation. The prior-year figures have been restated.

SEGMENTS

The brands CALIDA, AUBADE and LAFUMA MOBILIER each form a reportable segment. The MILLET MOUNTAIN GROUP combines the two mountain sports and outdoor brands MILLET and LAFUMA.

OTHER ACTIVITIES

Besides corporate functions, other activities contain some smaller activities which are not allocated to an operating segment. The operations of the multi-brand webshop www.onmyskin.de and webshops for the third-party brands are reported in other activities.

OPERATING REPORTING

The CALIDA GROUP monitors segment performance at the level of the operating profit contribution, which shows – in the presentation according to the cost of sales method – the operating profit contribution of each segment after deduction of cost of goods sold and allocated sales and marketing costs (e.g., costs of the sales organisation, rent for shop floorspace).

The non-allocated operating costs mainly contain costs for product development, logistics, IT, administration and management.

The CALIDA GROUP's operational reporting is based on International Financial Reporting Standards (IFRS). Segment reporting was shown for the current year and the prior year excluding OXBOW.

01.01.-30.06.2020

	CALIDA	AUBADE	MILLET MOUNTAIN GROUP	LAFUMA MOBILIER	Other activities	CALIDA GROUP
Net sales	53'981	23'300	29'069	34'142	5'677	146'169
thereof e-commerce	15'551	4'000	2'694	5'182	5'517	32'944
thereof bricks-and-mortar sales channels	38'430	19'300	26'375	28'960	160	113'225
Operating profit contribution	10'800	4'911	-305	10'638	728	26'772
Non-allocated operating costs						-34'995
Operating loss						-8'223
Financial result, net						-718
Net loss before income taxes from continuing operations						-8'941
Depreciation and amortisation of property, plant and equipment and intangible assets	-1'668	-448	-1'197	-442	-184	-3'939
Depreciation of right-of-use assets	-5'416	-3'292	-2'203	-246	-122	-11'279
thereof impairment	-1'376	-1'087	-	-	-	-2'463
Investments in property, plant and equipment and intangible assets	903	388	505	220	50	2'066

01.01.-30.06.2019

	CALIDA	AUBADE	MILLET MOUNTAIN GROUP	LAFUMA MOBILIER	Other activities	CALIDA GROUP
Net sales	63'063	31'166	46'436	34'976	4'321	179'962
thereof e-commerce	10'158	3'420	2'067	1'984	4'321	21'950
thereof bricks-and-mortar sales channels	52'905	27'746	44'369	32'992	-	158'012
Operating profit contribution	13'953	8'285	7'027	11'764	310	41'339
Non-allocated operating costs						-34'880
Operating profit						6'459
Financial result, net						-1'394
Net income before income taxes from continuing operations						5'065
Depreciation and amortisation of property, plant and equipment and intangible assets	-1'723	-512	-1'373	-464	-209	-4'281
Depreciation of right-of-use assets	-3'772	-2'278	-2'128	-219	-117	-8'514
Investments in property, plant and equipment and intangible assets	1'217	400	1'037	385	94	3'133

4. INTANGIBLE ASSETS

On 24 January 2020, the CALIDA GROUP sold the EIDER brand to the South Korean K2 Group. The gain on sale of the EIDER brand amounted to CHF 8'861. In addition, the sale of the EIDER brand also led to restructuring costs in the LAFUMA GROUP (see note 6).

5. IMPAIRMENT OF CURRENT AND NON-CURRENT ASSETS

Impairment tests were carried out for the CALIDA GROUP's stores in connection with the COVID-19 crisis ("triggering event"). The recoverable amount of a CGU (store) is derived from the value-in-use calculation. The impairment tests led to the recognition of impairment losses of CHF 2'463 for various stores in the CALIDA GROUP. Pre-tax discount rates of 7.7% to 12.0% were applied for these impairment tests (pre-tax discount rates as of 31.12.2019: 7.2% to 11.5%).

Subsequently, increased levels of depreciation were recognised on excess inventories from the previous spring collection in the amount of CHF 2'092.

6. RESTRUCTURING PROVISIONS

Restructuring costs of CHF 6'342 were recognised in the first half of financial year 2020, which largely relate to the sale of the EIDER brand. These restructuring costs include wage costs for the redundancy plan, costs for terminating contracts with retailers, impairments of inventories and legal and other advisory costs at the LAFUMA GROUP.

In addition, provisions of CHF 1'754 were recognised for the change of the operating business model of the LAFUMA GROUP in China.

7. DISCONTINUED OPERATIONS

On 28 May 2020 LAFUMA SA, a subsidiary of the CALIDA GROUP, closed the sale of OXBOW SAS to the French company Rainbow SAS. As part of the sale LAFUMA SA acquired an equity interest of 18.6% in Rainbow SAS, the new parent company of OXBOW. The equity interest was entered into the accounts as a financial instrument at a fair value of CHF 176. At the time of recognition the financial instrument was irrevocably designated as being recognised at fair value through consolidated other comprehensive income. Consequently, in the future, changes to the fair value will be recognised through consolidated other comprehensive income.

An earn-out was agreed for the sale of OXBOW; this contingent consideration is due in 2025. The payment by Rainbow SAS to LAFUMA SA in 2025 is dependent on exceeding a certain EBITDA. At the time of the sale, no value had been assigned to the earn-out.

In the course of the sale of OXBOW, LAFUMA SA granted loan of CHF 2'349 to Rainbow SAS. The loan was agreed with payment in kind (PIK) interest. This loan is classified as a non-current receivable under IFRS 9. The loan was recorded with a fair value of CHF 1'243 in the books.

	01.01.- 28.05.2020	01.01.- 30.06.2019
Result from the discontinued operation OXBOW		
Net sales	9'661	16'685
Operating expenses	-9'360	-16'859
Operating profit (loss)	301	-174
Financial result, net	-47	-115
Net income (loss) before taxes	254	-289
Taxes	-53	-68
Net profit (loss)	201	-357
Loss on disposal of group companies	-7'674	-
Loss from the discontinued operation, after taxes	-7'473	-357

Assets and liabilities at the time of sale	28.05.2020
Cash and cash equivalents	242
Other current assets	12'087
Other non-current assets	10'478
Total assets	22'807
Trade accounts payable	133
Other current liabilities	10'551
Other non-current liabilities	4'476
Total liabilities	15'160
Total net assets	7'647

Loss on disposal	28.05.2020
Considerations received from the sale ¹⁾	-
Disposal of net assets	-7'647
Exchange differences recognised in equity	327
Transaction costs	-354
Total loss on disposal of group companies	-7'674
Profit from the discontinued operation 01.01.-28.05.2020	201
Total loss from the discontinued operation	-7'473

¹⁾ LAFUMA SA did not receive any payments as part of the sale of OXBOW. The earn-out was not assigned any value. In net assets at the time of the sale of OXBOW current liabilities contained intercompany liabilities to LAFUMA SA. These were converted into a receivable due from Rainbow SAS and a financial asset.

Breakdown of cash outflow due to company sale

The sale of OXBOW resulted in a cash out of CHF 242 cash and cash equivalents. At the same time, short-term financial liabilities to financial institutions of CHF 1'967 were also sold.

Cash flow of OXBOW	01.01.- 28.05.2020	01.01.- 30.06.2019
Cash flow from operating activities	-1'371	545
Cash flow from investing activities	-246	-100
Cash flows from financing activities	1'434	-668
Change in cash and cash equivalents	-183	-223

Net loss per share from the discontinued operation	01.01.- 28.05.2020	01.01.- 30.06.2019
Net loss per registered share in CHF from discontinued operation	-0.85	-0.04
Diluted net loss per registered share in CHF from discontinued operation	-0.85	-0.04

8. NET LOSS (INCOME) PER SHARE

	01.01. – 30.06.2020	01.01. – 30.06.2019
Net loss (income) attributable to shareholders of CALIDA Holding AG	-16'205	3'060
Number of shares as of the reporting date	8'257'351	8'255'951
Less treasury shares	-15'160	-15'160
Average number of shares outstanding	8'242'191	8'240'791
Net loss (income) per registered share in CHF	-1.97	0.37
Diluted net loss (income) per registered share in CHF	-1.97	0.37

The dilutive effects were calculated based on the average number of call options outstanding and the average share price. The options outstanding with an exercise price below the average share price (determined at daily closing price) are taken into account in determining dilutive effects. The average number of potential registered shares included in the calculation was 0 (01.01. – 30.06.2019: 0).

9. FINANCIAL MANAGEMENT

LIQUIDITY OF FINANCIAL LIABILITIES

30 June 2020	Carrying amount	Contractual payments	< 1 year	1–5 years	> 5 years
Financial liabilities	42'182	42'182	42'182	–	–
Lease liabilities ³⁾	59'669	60'933	16'713	36'430	7'790
Trade accounts payable	20'793	20'793	20'793	–	–
Derivative financial instruments					
Cash inflows		-21'849	-21'849	–	–
Cash outflows		20'820	20'820	–	–
Net (level 2)	-1'064	-1'029	-1'029	–	–
Other current liabilities ¹⁾	5'131	5'131	5'131	–	–
Refund liabilities	1'418	1'418	1'418	–	–
Accrued expenses and deferred income ²⁾	14'889	14'889	14'889	–	–

¹⁾ Not including liabilities to government authorities and prepayments by customers of CHF 8'500 (30.06.2019: CHF 6'432).

²⁾ Not including accrued personnel expenses and other accruals of CHF 18'263 (30.06.2019: CHF 20'626).

³⁾ Lease liabilities generally have a maximum term of 10 years.

30 June 2019

	Carrying amount	Contractual payments	< 1 year	1-5 years	> 5 years
Financial liabilities	31'346	31'346	31'346	-	-
Lease liabilities ³⁾	70'780	77'243	18'773	44'568	13'902
Trade accounts payable	23'321	23'321	23'321	-	-
Derivative financial instruments					
Cash inflows		-49'653	-26'195	-23'458	-
Cash outflows		46'960	24'290	22'670	-
Net (level 2)	-1'686	-2'693	-1'905	-788	-
Other current liabilities ¹⁾	4'866	4'866	4'866	-	-
Refund liabilities	1'035	1'035	1'035	-	-
Accrued expenses and deferred income ²⁾	12'948	12'948	12'948	-	-

¹⁾ Not including liabilities to government authorities and prepayments by customers of CHF 8'500 (30.06.2019: CHF 6'432).

²⁾ Not including accrued personnel expenses and other accruals of CHF 18'263 (30.06.2019: CHF 20'626).

³⁾ Lease liabilities generally have a maximum term of 10 years.

In 2020, the CALIDA GROUP exercised the option to increase the credit facility of CHF 30 million from the existing banking syndicate. This now comprises a revolving credit facility of CHF 70 million (31.12.2019: CHF 40 million) to secure long-term financing. CHF 39'536 had been utilised as of 30 June 2020 (31.12.2019: CHF 23'611).

Due to being short term, the carrying amounts of the current financial liabilities are generally equal to their market value (non-discounted amounts). Due to having floating interest rates, the carrying amounts of financial liabilities to banks approximate their market value.

The derivative financial instruments recognised are based solely on forward exchange contracts concluded with banks as counterparties (OTC) for the purpose of foreign exchange hedging and are measured at fair value. The fair value (market value) is based on observable market data, particularly the spot rates and yield curves of the respective currencies (level 2 of the fair value measurement hierarchy).

10. SHAREHOLDERS' EQUITY - GROUP

On 17 April 2020 the Annual General Meeting approved the request of the Board of Directors to carry forward the retained earnings to new account.

11. SUBSEQUENT EVENTS

The consolidated interim financial statements were approved by the Audit & Risk Committee on 27 July 2020 and approved by the Board of Directors the same day.

There were no events between 30 June 2020 and the date on which the consolidated interim financial statements were approved that would necessitate an adjustment to the carrying amounts or that would require disclosure here.

This half-year report may include statements which are based on current assumptions and forecasts made by the Management of CALIDA Holding AG. Various known and unknown risks, uncertainties and other factors can lead to a situation in which the actual results, the financial position, the development or the performance of the company deviate significantly from the estimations given here. CALIDA Holding AG does not assume any obligation to carry such future-orientated statements further and to adapt them to future events or developments.

The half-year report of CALIDA Holding AG is published in German and English. In the case of any differing interpretations, the German text is valid.



Organisation and key dates

BOARD OF DIRECTORS

Hans-Kristian Hoejsgaard, (*1958, DK)
Chairman, Member since 2014 ²⁾

Marco Gadola, (*1963, CH/FR)
Vice Chairman, Member since 2011 ²⁾

Nathalie Gaveau, (*1975, FR)
Member since 2018 ³⁾

Gregor Greber, (*1967, CH)
Member since 2020 ¹⁾

Erich Kellenberger, (*1948, CH)
Member since 2020 ³⁾

Dr. Lukas Morscher, (*1963, CH)
Member since 2019 ¹⁾

Stefan Portmann, (*1967, CH)
Member since 2016 ³⁾

¹⁾ Audit & Risk Committee

²⁾ Nomination & Compensation Committee

³⁾ Strategic Committee

None of the members of the Board of Directors have been represented within Executive Management of CALIDA Holding AG or any of its subsidiaries. With the exception of the disclosed mandates, they especially hold no official roles or political offices. The members of the Board of Directors are appointed individually for one-year tenure which lasts until the following Annual General Meeting.

STATUTORY AUDITOR

Ernst & Young AG, Zürich

KEY DATES

Results financial year 2020
March 2021

Annual General Meeting 2021
15 April 2021

Half-year report 2021
End of July/beginning of August 2021

EXECUTIVE MANAGEMENT

Reiner Pichler, (*1962, CH/DE)
CEO, Chairman since 2016

Daniel Gemperle, (*1959, CH)
COO, Member since 2011

Sacha D. Gerber, (*1975, CH)
CFO, Member since 2018

Stefan Mues, (*1974, DE)
CDO, Member since 2019

Manuela Ottiger, (*1971, CH)
CHRO, Member since 2014

INFORMATION POLICY

CALIDA Holding AG updates its stakeholders on the business development in annual and half-year reports. Shareholders recorded in the Company's share register can request a copy of the half-year report dated 30 June 2020. The electronic version of the half-year report is available on our website (see below) from 29 July 2020.

Annual reports, half-year reports, ad hoc news, press releases, key dates, etc. can all be found online in the "Investors" section of www.calidagroup.com. Interested parties can also sign up to receive ad hoc news electronically. Printed documents and brochures can be ordered online at www.calidagroup.com, by e-mail from investor.relations@calida.com, or from CALIDA Holding AG, Investor Relations, P.O. Box, 6210 Sursee, +41 41 925 42 42. The Company announces price-sensitive facts in accordance with regulations of the SIX Swiss Exchange.

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