
HALF-YEAR REPORT 2019



CALIDAGROUP



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CALIDA GROUP AGAIN BETTER THAN THE MARKET



Marco Gadola and Reiner Pichler

DEAR SHAREHOLDERS

Business development in the first half of 2019 was favourable for the CALIDA GROUP. Despite challenging conditions, revenue adjusted for exchange rate effects increased by 4 percent to CHF 196.6 million. The operating result also increased by 15.3 percent to CHF 6.3 million, despite substantial investments. It is particularly gratifying that the CALIDA GROUP has seen growth in all its brands and across all sales channels. Revenue from the wholesale business (adjusted for exchange rate effects) increased by 1.9 percent, retail and outlets generated 2.8 percent more revenue (adjusted for exchange rate effects), and revenue from e-commerce (adjusted for exchange rate effects) grew by even 20.9 percent. All our brands also performed well. Adjusted for exchange rate effects, the CALIDA brand grew by 4.8 percent, AUBADE 3.4 percent, MILLET MOUNTAIN GROUP 5.0 percent, LAFUMA MOBILIER 2.6 percent and OXBOW 3.4 percent.

These key performance indicators show: operating business is strong and the financial position of the Group is sound. The CALIDA GROUP has also demonstrated in 2019 that it is able to anticipate and respond to the constant change considerably better than the market. The CALIDA GROUP is a leader in key matters such as sustainability, digitalisation and omnichannel, which will pave the way for further growth in the future.

The second half of the year will be challenging. On account of the seasonality of our business, we generate most of our value added in the second half of the year.

CHANGES IN THE MARKET CONTINUE

The structural changes seen in the market in the past few years are ongoing this year. Our core markets are stagnating or even declining. Traditional sales channels such as retail are seeing a sharp decline in footfall. Revenue in the clothing industry also declined overall in the first half of the year. The German retail sector reports a decline in revenue of 1 percent. In France, revenue from lingerie decreased by 2.7 percent.

4.0%

**Increase in net sales
(FX adjusted)**

CALIDA GROUP MEETS NEW CUSTOMER REQUIREMENTS THROUGH A CLEARLY DEFINED STRATEGY AND TARGETED INVESTMENTS

The positive development of the CALIDA GROUP is attributable to significant investment seen in recent years. The Group continued to pursue its customer-centric approach, focusing specifically on the new requirements of consumers.

Investments in e-commerce have significantly contributed to revenue growth and higher profits. The CALIDA GROUP continues to experience high double-digit growth in the online business and this year will generate around 12 percent of its revenue online.

The investments made in our omnichannel stores have also paid off. They recorded strong growth in revenue and footfall after reopening. The association for Swiss online retail awarded calida.com the gold medal in the Omnichannel Readiness Index (ORI), a sign that we are on the right track with our omnichannel strategy.

The Group will continue to drive its digital transformation and make substantial investments in the IT and the expansion of omnichannel competence again this year. The implementation of state-of-the-art customer relationship management systems allows the brands to address customers even more individually and thus generate higher sales.

SUSTAINABILITY IS A CORE CORPORATE VALUE OF THE CALIDA GROUP

Sustainability continues to play a central role for the CALIDA GROUP. All brands have intensified their commitment in this area. CALIDA has not only further expanded its portfolio of compostable "I LOVE NATURE" products, but has also enhanced its public image through several cooperations and sponsorships. The MILLET MOUNTAIN GROUP has also further increased its share of "Low Impact™" products. Currently 75 percent of all MILLET products carry the "Low Impact™" label for sustainable resources.

15.3%

EBIT increase

11.8%

**E-commerce share
of total sales**

20.9%

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

CALIDA

CALIDA stands for top quality, comfort, innovation, sustainability and modernity. Through targeted investments in recent years, the brand has succeeded in further strengthening and promoting precisely these values.

The brand's consistent focus on international market requirements has also led to sustainable successes this year. For example, CALIDA acquired significant new sales areas for international key accounts. Attractive new locations have also been found for the Group's own retail business. This will further increase brand awareness and create additional appeal.

Overall, CALIDA is further expanding its share of internally operated sales areas. The share of such space management areas grew this year by more than 20 percent compared to the prior year. This allows CALIDA to apply its retail expertise for wholesale customers as well and thus collectively grow even more effectively.

We are also continuously developing our own retail space further. The new omnichannel concept will be implemented in numerous other stores in Germany and Switzerland this year. Initial experiences have been very positive.

We recorded significant successes in online business. Thanks to the more targeted working of digital key accounts, we were able to increase revenue in this segment by more than 40 percent compared to the prior year. Continued cooperation with influencers and increased presence in social media also enable CALIDA to address a younger target group and expand its customer base. Revenue via CALIDA's own online shop this year has already increased by more than 30 percent compared to the prior year.

CALIDA is a market leader in the lingerie segment when it comes to using sustainable materials. The compostable "I LOVE NATURE" product line for women and men was further expanded in 2019 and extended to include nightwear and loungewear. CALIDA focuses on maximum transparency to assume their business responsibility towards their consumers. Thanks to certifications received, such as "MADE IN GREEN by OEKO-TEX®" and the Group's own plant in Hungary, CALIDA has taken

on a pioneering role in the market. The partnership with the GreenTech Festival Berlin, the Destination Nature campaign and cooperations in designing the "I LOVE NATURE" line, underpin this consistent strategy and further strengthen the brand.

Net sales increased by 4.8 percent adjusted for exchange rate effects, by 2.8 percent in nominal terms, from CHF 61.4 million to CHF 63.1 million. Thanks to a series of targeted measures, the contribution to operating profit improved significantly from CHF 13.4 million (21.9 percent of sales) to CHF 13.9 million (22.0 percent), or by 3.4 percent.



AUBADE stands for unmistakable “lingerie à la française”: seduction and modernity.

AUBADE has been selling the new collection designed in cooperation with the renowned designers Viktor&Rolf in stores since June 2019. To enhance this cooperation, pop-up stores were set up and events were held with international key accounts (for example, Harrods London, Steffel Wien, De Bijenkorf Netherlands, Sugar Cookies New York & Chelsea, and many more).

Additional sales floor was acquired at well-known key accounts, such as Oberpollinger, Galeries Lafayette Berlin and Sugar Cookies New York & Chelsea. This additional space in well-known department stores will help to further increase brand awareness and AUBADE's appeal internationally.

The lingerie market remained in sharp decline in the first half of 2019, especially in the core market France. Despite these negative conditions, AUBADE achieved growth. Revenue increased to EUR 27.6 million, or by 3.4 percent, in comparison to the corresponding prior-year period. Furthermore, the sale of the summer collection 2019 was also very successful. AUBADE's retail business in France grew by 3.9 percent on a comparable basis, while retail sales of lingerie in France decreased by 2.7 percent. Online business also grew considerably with a growth rate of 22.6 percent. Revenue from direct customers amounts to almost 60 percent of business. AUBADE already offers numerous omnichannel solutions, such as “reserve-in-store” or “click-and-collect” and will continue to expand these in the future in order to strengthen its own retail business and further enhance the shopping experience of its customers.

Net sales increased by 3.4 percent from EUR 26.7 million to EUR 27.6 million. As a result of a series of targeted measures, the contribution to operating profit improved significantly from EUR 6.9 million (25.9 percent of sales) to EUR 7.3 million (26.4 percent), or by 5.4 percent.



The MILLET MOUNTAIN GROUP stands for innovative, functional and sustainable outdoor products, with the synergy of the brands MILLET, LAFUMA and EIDER.

The MILLET brand stands for technically demanding products for alpinists, while EIDER focuses on skiwear and LAFUMA offers urban trekking apparel. This allows the Group, as one of the few outdoor companies, to cover a very broad spectrum of outdoor activities without diluting the respective brand essence.

One of the highlights was MILLET's cooperation with the designer YOSUKE AIZAWA from WHITE MOUTAINEERING in designing a capsule collection, which received an exceptionally positive response from international press. In this context, it should be noted that MILLET's largest export market is Japan. Net sales in Japan increased by 38.7 percent (adjusted for exchange rate effects, up 31 percent) in the first half of 2019 compared to the prior year. The results are attributable to consistent market cultivation.

As part of its internationalisation strategy, the e-commerce presence of the MILLET MOUNTAIN GROUP was considerably expanded to include further international websites of the brands MILLET, EIDER and LAFUMA.

The MILLET MOUNTAIN GROUP's commitment to sustainable development has received the ECOSPORT AWARD 2019 for responsible management. Sustainability will continue to play a central role at the MILLET MOUNTAIN GROUP in the future. The advanced development in this area will enable the Group to set itself further apart from the competition in the future.

Net sales increased by 5.0 percent adjusted for exchange rate effects, by 6.2 percent in nominal terms, from EUR 38.7 million to EUR 41.1 million. At EUR 6.2 million (15.1 percent of sales), the contribution to operating profit remained almost unchanged compared to prior year (EUR 6.3 million or 16.4 percent).



LAFUMA MOBILIER stands for design, comfort and quality.

As a designer and manufacturer of outdoor furniture, LAFUMA MOBILIER is heavily dependent on weather conditions. Following a promising start in the first quarter of 2019, demand slowed in the second quarter due to the poor weather conditions in France, the core market, and in Europe as well. As a result, reorders delayed and the price war for key accounts increased. Thanks to its attractive product portfolio, LAFUMA MOBILIER was able to overcome these difficult market conditions better than its competitors.

The focus at LAFUMA MOBILIER is on targeted internationalisation and tapping new market segments, the latter with the aim of helping to reduce the dependency on the summer business. With its "Horizon" collection, the brand was successful in its international rollout of contract business with hotels, restaurants, cafés at the "Salone del Mobile" trade fair in Milan. A further milestone is the addition of accessories to the "Privilege" collection, which will also make a significant contribution to revenue in subsequent years.

Net sales increased by 2.6 percent adjusted for exchange rate effects, by 2.9 percent in nominal terms, from EUR 30.2 million to EUR 31.0 million. As a result of targeted measures, the contribution to operating profit improved significantly from EUR 9.9 million (32.9 percent of sales) to EUR 10.4 million (33.5 percent), or by 4.9 percent.



OXBOW stands for Mediterranean lifestyle and modern surfwear.

Following robust sales growth in recent years, the surf and lifestyle brand OXBOW once again performed well in the first half of 2019.

OXBOW has successfully opened further floor space at various key accounts. At "Galeries Lafayette", the OXBOW collection can be found at major locations. This provides good brand visibility and increases brand awareness. Clearer positioning and internationalisation remain the medium-term goals for the brand. E-commerce will play an important role in development for OXBOW as well. Approximately 8 percent of revenue is already being generated from e-commerce.

Net sales increased by 3.4 percent adjusted for exchange rate effects (by 3.4 percent in nominal terms) from EUR 14.2 million to EUR 14.7 million. As a result of targeted measures, the contribution to operating profit improved significantly from EUR 3.0 million (21.1 percent of sales) to EUR 3.2 million (21.5 percent), or by 5.4 percent.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

We expect a similar development in the economic conditions in the second half of the year. This is also reflected in the Index of the ifo (Institute for Economic Research), which gives a negative outlook for the coming months. We are also observing a fundamental change in consumer behaviour. The shift from bricks-and-mortar business to e-commerce, in conjunction with increased price sensitivity, and a focus on sustainability will continue in the coming years.

The CALIDA GROUP sees opportunities in these fundamental market changes. We invested early in digitalisation, e-commerce, omnichannel solutions and internationalisation and are now a leader in many of these areas. For this reason, we assume that the CALIDA GROUP will continue to grow in the second half of the year and increase its revenue adjusted for currency effects compared to the prior year. This means that the CALIDA GROUP is further expanding its market share in a declining market.

We are convinced that the CALIDA GROUP has set the right course for the future.

WE THANK YOU VERY MUCH

Changes in consumer behaviour and digitalisation are leading to rapid changes in the market. The CALIDA GROUP is also committed to constant transformation in order to continuously improve itself. We are very proud that we have been able to inspire our employees to follow this path. Moreover, they inspire us every day with new ideas, concepts, and suggestions. For this, and for their outstanding efforts, we would like to thank each and every one of our around 3'000 employees.

We thank you, our esteemed shareholders, for your loyalty and the trust you have placed in our Company.



Marco Gadola
President of the Board
of Directors



Reiner Pichler
Chief Executive Officer

CALIDA GROUP at a glance

CALIDA GROUP is a globally active apparel group with its head office in Switzerland. It encompasses the lingerie brands CALIDA and AUBADE, the MILLET, OXBOW, EIDER and LAFUMA brands in the Alpine sports and outdoor segment as well as the outdoor furniture brand LAFUMA MOBILIER. The Group achieved sales of around CHF 410 million in 2018 with around 3'000 employees. CALIDA GROUP is listed on the SIX Swiss Exchange.

CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE COST OF SALES METHOD

	01.01. – 30.06.2019 ¹⁾	01.01. – 30.06.2019 ²⁾	01.01. – 30.06.2018	Change
Gross sales	203'273	203'273	200'849	1.2%
Net sales	196'647	196'647	194'296	1.2%
Gross profit	113'047	113'038	111'355	1.5%
as a % of net sales	57.5%	57.5%	57.3%	
Operating contribution	44'920	44'728	44'774	-0.1%
as a % of net sales	22.8%	22.7%	23.0%	
Non-allocated operating costs	-38'635	-38'715	-39'323	-1.5%
as a % of net sales	-19.6%	-19.7%	-20.2%	
Operating result (EBIT)	6'285	6'013	5'451	10.3%
as a % of net sales	3.2%	3.1%	2.8%	
Financial result, net	-1'509	-1'030	209	
Earnings before tax	4'776	4'983	5'660	-11.9%
as a % of net sales	2.4%	2.5%	2.9%	
Income taxes	-1'251	-1'297	-1'211	
Net income	3'525	3'686	4'449	-17.2%
as a % of net sales	1.8%	1.9%	2.3%	
Earnings per registered share in CHF (basic)	0.37	0.39	0.51	
Earnings per registered share in CHF (diluted)	0.37	0.39	0.51	

¹⁾ With IFRS 16. The modified retrospective method has been applied, therefore figures are not comparable with the prior year.

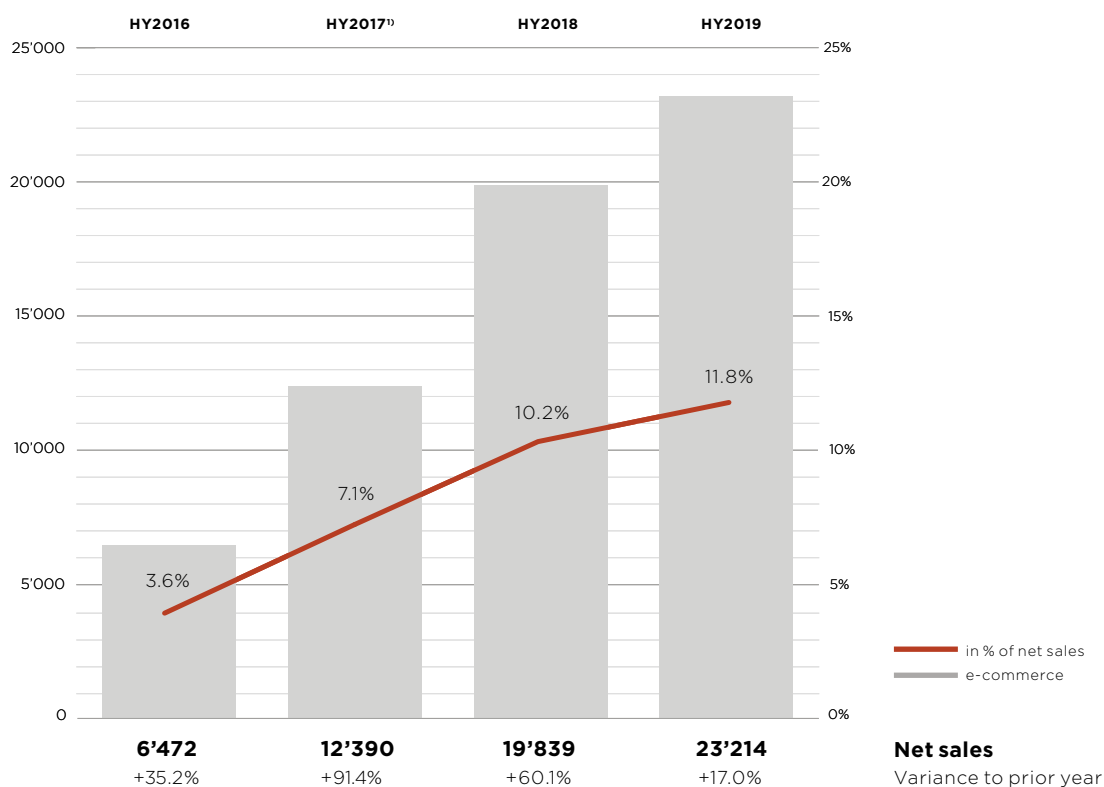
²⁾ Excluding IFRS 16

SELECTED KPIS

	30.06.2019 ¹⁾	30.06.2019 ²⁾	30.06.2018
Liquidity	33'834	33'834	31'679
Gross debt	-102'126	-31'346	-35'158
Net liquidity	-68'292	2'488	-3'479
Shareholders' equity (incl. non-controlling interests)	181'589	181'747	172'071
Total assets	371'352	300'778	306'657
Equity ratio	48.9%	60.4%	56.1%
Headcount	3'022	3'022	3'034

¹⁾ With IFRS 16. The modified retrospective method has been applied, therefore figures are not comparable with the prior year.

²⁾ Excluding IFRS 16

DEVELOPMENT E-COMMERCE

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

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 half-year report on page 24)



Consolidated interim financial statements 2019 CALIDA GROUP

Group statement of financial position

(condensed)

	30.06.2019	31.12.2018	30.06.2018
Cash and cash equivalents	33'834	43'613	31'679
Trade accounts receivable	33'731	38'986	37'276
Inventories	100'082	100'377	96'061
Other current assets	21'318	18'434	24'857
Current assets	188'965	201'410	189'873
Property, plant and equipment	20'155	20'963	20'641
Right-of-use assets	70'574	-	-
Intangible assets	80'950	82'659	83'979
Other non-current assets	10'708	11'575	12'164
Non-current assets	182'387	115'197	116'784
ASSETS	371'352	316'607	306'657
Current financial liabilities	31'346	29'054	36'164
Current lease liabilities	17'144	-	-
Trade accounts payable	23'321	34'259	21'040
Current provisions	1'780	2'067	4'744
Other current liabilities	46'849	50'078	53'808
Current liabilities	120'440	115'458	115'756
Non-current financial liabilities	108	10	146
Non-current lease liabilities	53'636	-	-
Non-current provisions	3'952	3'880	3'888
Other non-current liabilities	11'627	10'949	14'796
Non-current liabilities	69'323	14'839	18'830
Liabilities	189'763	130'297	134'586
Equity held by shareholders of CALIDA Holding AG	169'618	174'690	161'140
Non-controlling interests	11'971	11'620	10'931
Shareholders' equity	181'589	186'310	172'071
SHAREHOLDERS' EQUITY AND LIABILITIES	371'352	316'607	306'657

Group income statement and statement of comprehensive income

(condensed)

GROUP INCOME STATEMENT

	01.01. – 30.06.2019	01.01. – 30.06.2018	01.01. – 31.12.2018
Net sales	196'647	194'296	409'475
Operating income	198'567	196'248	413'468
Operating expenses	-192'282	-190'797	-391'860
Operating result	6'285	5'451	21'608
Financial result, net	-1'509	209	1'318
Earnings before tax	4'776	5'660	22'926
Income taxes	-1'251	-1'211	-5'156
Net income	3'525	4'449	17'770
attributable to:			
Shareholders of CALIDA Holding AG	3'060	4'164	16'214
Non-controlling interests	465	285	1'556
Earnings per registered share in CHF (basic)	0.37	0.51	1.97
Earnings per registered share in CHF (diluted)	0.37	0.51	1.97

STATEMENT OF COMPREHENSIVE INCOME

	01.01. – 30.06.2019	01.01. – 30.06.2018	01.01. – 31.12.2018
Net income	3'525	4'449	17'770
Items that might be reclassified to profit and loss, after tax			
Exchange differences recognised in other comprehensive income	-1'161	-2'879	-8'469
Hedge accounting	-194	3'354	5'841
Items that cannot be reclassified to profit and loss, after tax			
Remeasurements of defined benefit plans	-1'083	614	4'838
Total other comprehensive income	-2'438	1'089	2'210
Total comprehensive income	1'087	5'538	19'980
attributable to:			
shareholders of CALIDA Holding AG	787	4'710	18'421
non-controlling interests	300	828	1'559

in CHF 1'000

Group statement of changes in shareholders' equity

	Share capital	Treasury shares	Capital reserves	Retained earnings	Exchange differences	Reserves	Equity held by the shareholders of CALIDA Holding AG	Non-controlling interests	Shareholders' equity
1 January 2018	820	-536	10'438	182'633	-22'986	170'085	170'369	25'190	195'559
<i>Net income</i>	-	-	-	4'164	-	4'164	4'164	285	4'449
<i>Other comprehensive income</i>	-	-	-	3'586	-3'040	546	546	543	1'089
Total comprehensive income	-	-	-	7'750	-3'040	4'710	4'710	828	5'538
Dividend from capital contribution reserves	-	-	-6'592	-	-	-6'592	-6'592	-	-6'592
Capital increase	5	-	1'711	-	-	1'711	1'716	-	1'716
Acquisition of non-controlling interests	-	-	-	-8'864	-224	-9'088	-9'088	-15'024	-24'112
Share-based payments	-	-	540	-	-	540	540	-	540
Result from hedge accounting transferred to cost of inventories	-	-	-	-515	-	-515	-515	-63	-578
30 June 2018	825	-536	6'097	181'004	-26'250	160'851	161'140	10'931	172'071
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

Group statement of cash flows

(condensed)

	01.01. – 30.06.2019	01.01. – 30.06.2018	01.01. – 31.12.2018
Net income	3'525	4'449	17'770
Depreciation, amortisation and impairments (property, plant and equipment/intangible assets)	4'535	4'907	9'401
Depreciation of right-of-use assets	8'991	-	-
Other adjustments for non-cash items	3'350	1'882	5'595
Increase (-)/decrease(+) in net working capital	-12'933	-9'173	-5'416
Increase (+)/decrease (-) in provisions	-159	-1'844	-1'050
Income taxes paid	-380	-2'074	-3'294
Cash flow from operating activities (A)	6'929	-1'853	23'006
Investments in property, plant and equipment/intangible assets	-3'299	-4'245	-10'494
Sale of property, plant and equipment/intangible assets	114	30	180
Increase (-)/decrease (+) in financial assets/interest received	51	-155	-15
Cash flow from investing activities (B)	-3'134	-4'370	-10'329
Increase (+)/decrease (-) in financial liabilities/interest paid	2'503	22'249	16'084
Repayment of lease liabilities/interest paid on lease liabilities	-9'262	-	-
Dividend from capital contribution reserve (C)	-6'591	-6'590	-6'590
Options exercised from share-based payment plans	-	1'716	1'716
Acquisition of non-controlling interests	-	-24'112	-24'112
Cash flows from financing activities	-13'350	-6'737	-12'902
Impact of exchange rate fluctuations on cash and cash equivalents	-224	-561	-1'362
Change in cash and cash equivalents	-9'779	-13'521	-1'587
Cash and cash equivalents at the beginning of the year	43'613	45'200	45'200
Cash and cash equivalents at the end of the period	33'834	31'679	43'613
Free cash flow (A+B+C)	-2'796	-12'813	6'087
Comparative figures without applying IFRS 16			
Cash flow from operating activities	-2'334	-1'853	23'006
Cash flow from investing activities	-3'134	-4'370	-10'329
Cash flows from financing activities	-4'088	-6'737	-12'902
Free cash flow (A+B+C)	-12'059	-12'813	6'087



MILLET | Jacke | Trilogy One Alpha D Hoodie
Hose | Rocas Bio Denim Pant
Rucksack | Trilogy Dynema 30



LAFUMA | Jacke | Staten Coat
Rucksack | L'Original Zip
Schuhe | Escaper Kniz

Notes to the consolidated interim financial statements

The figures in the notes of 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).

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 2019. The report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual report 2018 as it provides an update of the information reported therein.

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 consolidated financial statements 2018, except for the amendments discussed below.

The following new and amended International Financial Reporting Standards (IFRSs) and IFRS interpretations are applicable from 1 January 2019. The implications for the interim financial statements of the CALIDA GROUP are outlined below.

IFRS 16	Leases
IFRIC 23	Uncertainty regarding income tax treatment 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.

IFRS 16 - LEASES

Adjustments from the implementation of IFRS 16

The Group adopted IFRS 16 as of 1 January 2019. This new IFRS standard has a material impact upon the interim financial statements of the CALIDA GROUP. When implementing IFRS 16 the Group has recognized lease liabilities as assets, which had previously been recognized as operating leases pursuant to IAS 17.

For the transition, the CALIDA GROUP applied the modified retrospective method. This approach requires recognising the cumulative affect of IFRS 16 as of 1 January 2019 under retained earnings and not adjusting the prior year figures. When measuring assets from a right-of-use it is possible to recognise these in the same amount as the lease liabilities at the time of initial application. This option results in no adjustment to retained earnings.

The Group has decided to recognize the right-of-use assets in the same amount as the lease liabilities taking into account the advance payments and the accumulated lease payments. Consequently, the first-time application did not have any impact upon retained earnings.

Payments associated with short-term leases and the leasing of low-value assets were recognised on a straight-line basis as an expense in the income statement. Short-term leases are agreements with remaining terms of 12 months and less. Low-value assets include IT equipment and office materials for example. Options to extend/terminate leases were evaluated by management on a case-by-case basis. The lessee's incremental

borrowing rate was calculated taking into account foreign currencies, the duration of the agreements and company and investment specific risks. Initial direct costs associated with the first-time recognition of assets from a right-of-use were not taken into consideration.

On 31 December 2018 the Group had CHF 82'646 in lease obligations from rental and lease agreements, which led to the recognition of CHF 79'937 in right-of-use assets and lease liabilities as of 1 January 2019. The difference of CHF 2'709 includes discounting, short-term leases, low-value assets and contract adjustments. The consolidated income statement has changed with operating expenses decreasing by CHF 272 and the financial result being negatively impacted by an amount of CHF 479 in the reporting period. The consolidated cash flow statement also changed in the same period with cash flows from operating activities increasing by CHF 9'262 and cash flows from financing activities decreasing by the same amount. The new classification of leases is cash neutral for the Group.

The Group has made the following adjustments to the consolidated interim financial statements when applying IFRS 16:

Consolidated statement of financial position: additional items for right-of-use assets, non-current and current lease liabilities

Consolidated cash flow statement: additional items for depreciation of right-of-use assets and repayments of lease liabilities/interest paid on lease liabilities

As a consequence of the first-time application of IFRS 16, earnings per registered share decreased in the first six months of fiscal year 2019 by CHF 2 rappen.

The Group's leasing activities and the accounting treatment

The Group rents various office spaces, sales areas, property, plant and equipment and vehicles. Rental agreements are generally concluded for a period of 3 to 10 years. Some of these agreements have the option to extend the term.

Up until fiscal year 2018 rental agreements for office spaces, sales areas and vehicles were classified as operating leases. Payments associated with the operating lease (net of subsidies from the lessor) were recognised on a straight-line basis over the period in the income statement.

From 1 January 2019 leases are recognised as right-of-use assets and lease liabilities. The time of recognition corresponds to the condition, in which the leased object was made available. Financing costs are recognised over the period of the lease in the income statement. Interest costs are calculated using the effective interest rate method. The right-of-use assets are amortised on a straight-line basis over the shorter of the estimated useful life or the term of the agreement.

Assets (right-of-use assets) and liabilities (lease liabilities) are recognised at their present value when they are recognised for the first time. Lease liabilities include the present value of the following lease payments:

Fixed payments, less subsidies from the lessor

Variable lease payments that are based on an index or instalments

Amounts that are payable by the lessee in connection with residual value guarantees

The exercise price of a purchase option if the lessee is sure that they will exercise this option

Penalty payments for the termination of leases in the event that the lease agreement is interpreted in such a way that the lessee will exercise this option

Lease payments are discounted using the interest rate implicit in the lease. In the event that the interest rate cannot be assessed, the incremental borrowing rate is used. The incremental borrowing rate takes into account foreign currency, the term of the agreement along with company and investment specific risks. In the first half of fiscal year 2019 the weighted average incremental borrowing rate was 1.3%.

Right-of-use assets are measured at their purchase cost, which includes the following components:

Amount of the initial measurement of the lease liability

Lease payments that were made on or before the date of commencement, less subsidies from the lessor

Initial direct costs

Restoration costs

Payments associated with short-term or low-value leases are recorded on a straight-line basis over the term of the lease in the income statement. Short-term leases are agreements that have a total term of 12 months or less.

Some of the Group's lease agreements include options to extend or terminate the lease. These options are used by management to maximise operational flexibility, for example. In order to define the recognition of the term of the agreement, management takes into account all of the facts and circumstances in order to evaluate the economic incentive. Options to extend or terminate are only taken into account if it can be assumed that these will actually be exercised. The majority of the options to extend or terminate can be exercised by the CALIDA GROUP and not by the lessor.

Should a significant event occur or should circumstances change significantly, this assessment regarding the options to extend or terminate will be reviewed and changes made where necessary.

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 reporting 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 closing date	Unit	30.06.2019	30.06.2018	31.12.2018	Average exchange rates for the half-year	Unit	01.01.– 30.06.2019	01.01.– 30.06.2018	01.01.– 31.12.2018
EUR	1	1.1112	1.1554	1.1255	EUR	1	1.1294	1.1697	1.1549
USD	1	0.9774	0.9979	0.9843	USD	1	0.9999	0.9664	0.9781
HUF	100	0.3431	0.3514	0.3500	HUF	100	0.3524	0.3726	0.3622
GBP	1	1.2390	1.3067	1.2486	GBP	1	1.2937	1.3300	1.3053
TND	1	0.3398	0.3808	0.3288	TND	1	0.3328	0.3936	0.3718
JPY	100	0.9069	0.9041	0.8915	JPY	100	0.9086	0.8890	0.8859
CNY	1	0.1421	0.1506	0.1434	CNY	1	0.1474	0.1518	0.1479



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 remains 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 and OXBOW divisions. The operating expenses are relatively stable over the year.

The brands MILLET and EIDER of the MILLET MOUNTAIN GROUP recognise significantly higher sales with corresponding operating profit contribution in the second half of the year as they are strongly oriented towards the winter.

These seasonal fluctuations at CALIDA and the MILLET MOUNTAIN GROUP 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. NET SALES FROM CONTRACTS WITH CUSTOMERS

The CALIDA GROUP net sales from contracts with customers breaks down as follows:

Divisions	01.01. – 30.06.2019	01.01. – 30.06.2018
CALIDA (in CHF m)	63'063	61'364
MILLET MOUNTAIN GROUP (in EUR m)	41'115	38'723
AUBADE (in EUR m)	27'595	26'686
LAFUMA MOBILIER (in EUR m)	31'048	30'178
OXBOW (in EUR m)	14'694	14'207
Others (in EUR m)	3'825	3'857
Total (in CHF m)	196'647	194'296
Sales channel	01.01. – 30.06.2019	01.01. – 30.06.2018
e-commerce	23'214	19'839
Bricks-and-mortar sales channels	173'433	174'457
Total	196'647	194'296

In the reporting period, the CALIDA GROUP recognised impairment losses for receivables from contracts with customers of CHF 263 against operating expenses (01.01 – 30.06.2018: CHF 267).

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. The CALIDA GROUP has five reporting segments which are organised and managed independently of each other in accordance with their market alignment.

SEGMENTS

The brands CALIDA, AUBADE, LAFUMA MOBILIER and OXBOW form a reportable segment. The MILLET MOUNTAIN GROUP combines the three Alpine sports and outdoor brands MILLET, EIDER 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 webshops 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 sales areas).

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

The CALIDA GROUP's operating reporting is based on International Financial Reporting Standards (IFRS). However, in order to improve comparability management reporting is carried out excluding the effects from IFRS 16.

Including IFRS 16, the operating result increased by CHF 272 in the first half of 2019 and earnings before tax decreased by CHF 207.

**01.01.–30.06.2019
excluding IFRS 16**

	CALIDA	AUBADE	MILLET MOUNTAIN GROUP	LAFUMA MOBILIER	OXBOW	Other activities	CALIDA GROUP
Net sales	63'063	31'166	46'436	35'066	16'595	4'321	196'647
thereof e-commerce	10'158	3'420	2'067	1'984	1'264	4'321	23'214
thereof bricks-and-mortar sales channels	52'905	27'746	44'369	33'082	15'331	-	173'433
Operating profit contribution	13'880	8'227	6'994	11'757	3'564	306	44'728
Non-allocated operating costs							-38'715
Operating result							6'013
Financial result, net							-1'030
Earnings before tax							4'983
Amortisation and depreciation	-1'839	-562	-1'373	-464	-88	-209	-4'535
thereof impairment	-	-	-	-	-	-	-
Investments	1'217	400	1'037	385	166	94	3'299



AUBADE | à l'Amour - Mercure

in CHF 1'000

01.01. – 30.06.2018	CALIDA	AUBADE	MILLET MOUNTAIN GROUP	LAFUMA MOBILIER	OXBOW	Other activities	CALIDA GROUP
Net sales	61'364	31'215	45'296	35'299	16'619	4'503	194'296
thereof e-commerce	7'677	2'907	1'636	2'012	1'104	4'503	19'839
thereof bricks-and-mortar sales channels	53'687	28'308	43'660	33'287	15'515	–	174'457
Operating profit contribution	13'428	8'089	7'418	11'619	3'501	719	44'774
Non-allocated operating costs							-39'323
Operating result							5'451
Financial result, net							209
Earnings before tax							5'660
Amortisation and depreciation	-1'934	-656	-1'642	-428	-81	-166	-4'907
thereof impairment	–	–	–	–	–	–	–
Investments	1'749	254	1'455	513	183	91	4'245

4. EARNINGS PER REGISTERED SHARE

	01.01. – 30.06.2019	01.01. – 30.06.2019 (excluding IFRS 16)	01.01. – 30.06.2018
Net income attributable to shareholders of CALIDA Holding AG	3'060	3'212	4'164
Number of shares as of the reporting date	8'255'951	8'255'951	8'255'951
Less treasury shares	-15'160	-15'160	-15'160
Less weighted average included in capital increase	–	–	-30'629
Average number of shares outstanding	8'240'791	8'240'791	8'210'162
Earnings per registered share in CHF (basic)	0.37	0.39	0.51
Earnings per registered share in CHF (diluted)	0.37	0.39	0.51

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. – 30.06.2018: 1'074).

5. FINANCIAL MANAGEMENT

LIQUIDITY OF FINANCIAL LIABILITIES

30 June 2019

	Carrying amount	Contractual payments	up to 1 year	1 to 5 years	more than 5 years
Financial liabilities (current and non-current)	31'346	31'346	31'346	–	–
Lease liabilities (current and non-current)	70'780	77'243	18'773	44'568	13'902
Trade accounts payable	23'321	23'321	23'321	–	–
Other current liabilities ¹⁾	18'647	18'647	18'647	–	–
Total – at amortised cost	144'094				
Derivative financial instruments ²⁾					
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	–
Total – at fair value through profit and loss	-1'686				
Total	142'408				

30 June 2018

	Carrying amount	Contractual payments	up to 1 year	1 to 5 years	more than 5 years
Financial liabilities (current and non-current)	34'002	34'002	34'002	–	–
Trade accounts payable	21'040	21'040	21'040	–	–
Other current liabilities ¹⁾	21'949	21'949	21'949	–	–
Total – at amortised cost	76'991				
Derivative financial instruments ²⁾					
Cash inflows		-60'403	-36'952	-23'451	–
Cash outflows		59'322	37'179	22'143	–
Net (level 2)	529	-1'081	227	-1'308	–
Contingent purchase price payments (level 3)	1'155	1'155	1'155	–	–
Total – at fair value through profit and loss	1'684				
Total	78'675				

¹⁾ Excluding liabilities to government bodies and accruals for personal expenses and other accrued and deferred items in the amount of CHF 28'202 (30.06.2018: CHF 31'859).

²⁾ Of the carrying amount, CHF 1'610 is attributable to other current assets (31.12.2018: CHF 1'016), CHF 184 to other non-current assets (31.12.2018: CHF 514), CHF 0 to current financial liabilities (31.12.2018: CHF 32) and CHF 108 to other non-current liabilities (31.12.2018: CHF 10).

In 2018, the CALIDA GROUP renewed the loan agreement with the syndicate of banks. This again comprises a revolving credit facility of CHF 40 million to secure long-term financing and an option to increase the loan. CHF 31'346 had been utilised as of 30 June 2019 (31.12.2018: CHF 27'655).

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).

6. SHAREHOLDERS' EQUITY – GROUP

DIVIDEND FROM CAPITAL CONTRIBUTION RESERVE

The Annual General Meeting of 15 April 2019 approved the distribution of a dividend of CHF 0.80 per registered share to be paid from the capital contribution reserve. The dividend of CHF 6'593 was paid out on 23 April 2019. No contributions to the share premium account from capital increases were made in the reporting period. This leaves capital contribution reserves of CHF 653 in CALIDA Holding AG.

CONDITIONAL CAPITAL

No conditional capital increase was made in the first half of 2019. In the first half of 2018, a conditional capital increase of CHF 5 or 53'672 registered shares was carried out. The average issue price amounted to CHF 32.06 per share. The amount exceeding the nominal value for the period 01.01. – 30.06.2018 of CHF 1'711 was credited to the capital reserves after deducting issuing and transaction costs.

The Annual General Meeting of 15 April 2019 approved a conditional increase in capital that corresponds to 250'000 fully paid in shares, representing CHF 25. The available conditional capital as of 30 June 2019 amounts to CHF 35 (31.12.2018: CHF 10). This equates to 354'049 registered shares (31.12.2018: 104'049 registered shares) with a par value of CHF 0.10 each.

7. SUBSEQUENT EVENTS

The consolidated interim financial statements were approved by the Audit & Risk Committee on 22 July 2019 and approved by the Board of Directors the same day.

There were no events between 30 June 2019 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

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

Hans-Kristian Hoejsgaard, (*1958, DK)
Vice Chairman, Member since 2014 ³⁾

Dr. Valentin Chaperon Rueda, (*1956, CH/ES)
Member since 2017 ¹⁾

Nathalie Gaveau, (*1975, FR)
Member since 2018 ¹⁾

Dijana Kellenberger, (*1963, CH)
Member since 2019 ³⁾

Dr. Lukas Morscher, (*1963, CH)
Member since 2019 ²⁾

Stefan Portmann, (*1967, CH)
Member since 2016 ¹⁾

¹⁾ Strategic Committee

²⁾ Audit & Risk Committee

³⁾ Nomination & Compensation 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, Zurich

EXECUTIVE MANAGEMENT

Reiner Pichler Chief Executive Officer (CEO)
(*1962, CH/DE) since 2016

Daniel Gemperle Chief Operations Officer (COO)
(*1959, CH) since 2011

Sacha D. Gerber Chief Financial Officer (CFO)
(*1975, CH) since 2018

Stefan Mues Chief Digital Officer (CDO)
(*1974, DE) since 2019

Manuela Ottiger Chief Human Resources
Officer (CHRO) 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 2019. The electronic version of the half-year report is available on our website (see below) from 24 July 2019.

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 pricesensitive facts in accordance with regulations of the SIX Swiss Exchange.

KEY DATES

Results financial year 2019
March 2020

Annual General Meeting 2020
29 April 2020

Half-year report 2020
End of July/beginning of August 2020

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