

## Results for the 2018-2019 fiscal year

**Back to current operational profitability**  
**Net losses due to exceptional asset impairment**  
**Sound, improving financial structure**

CONSOLIDATED DATA AS OF THE END OF JUNE (in million Euros)	2017/18 published	2017/18 Restated*	2018/19 published	Variance
Turnover	756.0	754.9	720.0	-4.6%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	27.5	28.2	13.9	-50.9%
Current operating income	15.4	16.3	1.2	-92.8%
Non-current operating items	(1.1)	1.1	(4.2)	
Asset impairment	0	0	(27.4)	
Financial results	(0.9)	(0.9)	(1.0)	
Corporate income tax	(3.1)	(3.1)	(1.9)	
Net income from continuing operations	10.3	13.4	(33.4)	
Net income from discontinued operations	0.0	(3.1)	(1.4)	
Net profit	10.3	10.3	(34.8)	-
Capex	17.5	17.2	17.2	
Net financial debt	30.5	30.5	28.2	

\*Data restated following the closing down of Vivadia

### ACTIVITY

The Damartex group closes the 2018-2019 financial year with a turnover of €720.0 Mn, down -4.6% at actual rates compared with the previous financial



year.

This decrease in sales is due to a number of factors including a difficult environment which has disturbed the activity both in France (with the so-called "Yellow Vests" demonstrations) and in the United Kingdom (Brexit).

The "**Fashion & Ready-to-wear**" activity, which was particularly impacted recorded a turnover of €548.1 Mn (-6.5% at like for like exchange rate over the financial year), down -6.4% at actual rates.

The "**Home & Lifestyle**" activity, dedicated to personal and household equipment, conversely increased by +1.5% at actual rates, to €171.9 Mn (+1.4% at like for like exchange rate) over the financial year.

## RESULTS

For the period, the **EBITDA stands at €13.9 Mn**, i.e. 1.9 % of the turnover, down **-50.9%**.

**The current operating income stands at €1.2 Mn down -92.8%**. However, even if the decrease is significant against the previous financial year, the Group returned to profitability in the second half of the year (+€3.1 Mn) thanks to close management of costs and the application of its strategic saving plan in excess of €10 Mn. The Group also significantly optimized its marketing expenses through re-negotiation and tactical arbitration while maintaining the customer prospecting effort. The product margin degradation is limited, which is a sign of the Group's capacity to safeguard the value of its offer.

The current operating income of the "**Fashion & ready-to-wear**" activity is down at €-4.9 Mn. The "**Home & Lifestyle**" division's current operating income is growth at €6.0 Mn.

The Damartex group **closed the financial year with a loss of €-34.8 Mn**, as it was significantly impacted by exceptional events linked to asset impairment and transformation actions aiming at ensuring the Group's resilience in a weakened market context.

Among a number of measures impacting net earnings, the Group has decided to proceed with the impairment of €23.3 Mn of intangible assets of the Afibel brand to reflect the lower profitability and its significant de-growth for 2 years. Afibel is also the subject of a significant transformation plan which translates into an overhaul of its offer and its marketing model.

The Group also wound down Vivadia and E-Wear Solutions whose contributions to results were negatives, with activities that did not offer enough prospects.



## FINANCIAL POSITION

As of the end of June 2019, **the Group's net financial debt stands at €28.2 Mn** against €30.5 Mn as of the end of June 2018.

The Group has strengthened its financial structure while maintaining an ambitious investment policy at €17.2 Mn. The effort was particularly focussed on the digital customer relation management and the modernization of digital tools.

Over the financial year, the Group has kept its NWC under strict control at €36.3 Mn as of 30 June 2019 (vs. € 54.0 Mn for the previous financial year), as a result of a close management of its stock and suppliers. The Group has thus kept solid fundamentals that allow it to show resilience and to strengthen its financial independence.

## DIVIDENDS

Given the loss of the financial year, the Management Board will not propose any distribution of dividends at the General Assembly scheduled on 13 November 2019.

## OUTLOOK

The first encouraging results of *Transform to Accelerate 2022* are encouraging, its transformation plan, organized around 5 axes:

- **Image revolution:** modernizing our brands and the customer experience
- **Digital transformation:** prioritizing our digital investments
- **New business development:** speeding up the growth of the Home & Lifestyle division
- **Priority to agility:** developing business agility
- **Change our world:** placing CSR at the core our new model

Despite an uncertain environment, the Damartex Group intends to continue deploying this strategic plan.

### PROFILE

Operating under ten names Damart, Afibel, La Maison du Jersey, Xandres for the "Fashion & ready-to-wear" activity, 3 Pagen, Vitrine Magique Coopers of Stortford, Jours Heureux, Delaby and Sedagyl for the "Home & Lifestyle" activity, is one of the leading European retailers for seniors (55+ segment). The Group has developed an omni-channel, differentiated strategy according to brands and countries. It is mainly operating in France, the UK, Belgium and Germany.

[www.damartex.com](http://www.damartex.com)

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### KEY DATES

Publishing of sales figures for the first quarter of 2019/2020:  
17 October 2019



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#### DAMARTEX

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