

Results for the 2017-2018 financial year

Reduced Net Earnings in a Difficult Context

CONSOLIDATED DATA AS OF THE END OF JUNE (in million Euros)	2016/17 published	2016/17 Restated*	2017/18 published	Variance
Sales	774.9	774.9	756.0	-2.4%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	35.7	35.7	27.5	-23.1%
Current operating income	23.0	22.7	15.4	-32.2%
Non-current operating items	(1.7)	(1.7)	(1.1)	
Financial results	(2.4)	(2.4)	(0.9)	
Corporate income tax	(2.6)	(2.5)	(3.1)	
Net income from continuing operations	16.3	16.1	10.3	-35.8%
Net income from discontinued operations	0.1	0.1	0.0	
Net profit	16.3	16.2	10.3	-36.0%

*restated data following the allocation of the price of the acquisition of 3Pagen & Vitrine Magique.

ACTIVITY

The Damartex group closes the 2017-2018 financial year with a turnover of €756.0 Mn, down -2.4% at actual rates compared with the previous financial year (-1.7% at like for like exchange rate and -4.3% at like for like exchange rate and scope).

After a dynamic first quarter, the Group's performance was significantly impacted, during the 2nd half of the financial year just ended by sluggish consumption in France and the wait-and-see position of customers in the UK (over Brexit uncertainty).

The "**Textile**" activity has recorded sales of €585.5 Mn (-4.5% at actual rates), down -3.9% at like for like exchange rate over the financial year.

The "**Home & Lifestyle**" activity, dedicated to personal and household equipment, is, conversely, up +6.4% at like for like exchange rate, at €170.5 Mn (+5.5% at actual rates) over the whole financial year.



RESULTS

For the financial year, **the EBITDA stands at €27.5 Mn**, i.e. 3.6 % of the turnover, **down -23.1%**.

The current operating income stands at €15.4 Mn, down **-32.2%**, mainly impacted by the reduced business. The product margin has only slightly degraded, demonstrating the resilience of the Group faced with significant exchange rate effects and increased competitive pressure.

Over the financial year, the Group was able to reduce overhead costs, including through management efforts, and keep its commercial costs under check, while not abandoning prospecting. On the other hand, the volatility of demand has led to increased distribution costs, supporting the Group's approach to continue investing to improve flexibility.

The current operating income for the **"Textile"** activity stands at €9.6 Mn, down **-31.9%**, mainly impacted by Afibel's decrease in activity.

The **"Home & Lifestyle"** activity's current operating income is also down by **-32.6%** at €5.8 Mn mainly due to an unfavourable, though expected, seasonality effect, connected to the acquisition of 3Pagen and Vitrine Magique. As indicated when the results of the 1st half were published, the results of the 1st quarter (not integrated to the previous financial year) showed a negative contribution of €-2.5 Mn.

Net earnings are significantly down by -36.0 % at €10.3 Mn as a result of the drop in activity. The normalization of the Group's tax rate was more than offset by the improvement of the financial results adversely affected by the effects of the Brexit over the previous financial year.

FINANCIAL POSITION

The net financial debt stands at €30.5 Mn as of the end of June 2018 against €35.1 Mn as of the end of June 2017. The Group has succeeded in reducing its debts while maintaining its strong-willed policy of strategic investments which amount to €17.7 Mn over the financial year.

DIVIDENDS

The Board of Directors (Directoire) will propose to the General Assembly scheduled for 14 November 2018, the distribution of a dividend of €0.50 per share.

OUTLOOK

The Damartex group intends to maintain a sustained investment level in order to continue with its strategy of transformation and conquest of the 55+ market. At the same time, the Group has stepped up its process to optimize its costs and make them more flexible, to cope with the evolution in the industry.

PROFILE

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

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KEY DATES

- Financial Information Meeting - 2017/2018 yearly results: 5 September 2018
- Publishing of sales figures for the first quarter of 2018/2019: 18 October 2018



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