

Results for the 2016-2017 financial year

A profitable growth of the activity, driven by acquisitions

CONSOLIDATED DATA AS OF THE END OF JUNE (in million Euros)	2015/16 published	2016/17 published	Variance
Turnover	717.3	774.9	+8.0%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	30.9	35.7	+15.5%
Current operating income	21.6	23.0	+6.2%
Non-current operating items	(1.0)	(1.7)	
Financial results	(0.2)	(2.4)	
Corporate income tax	(1.1)	(2.6)	
Results of continuing operations	19.3	16.3	-15.4%
Results of discontinued operations	(2.4)	0.1	
Net profit	16.9	16.4	-3.0%

ACTIVITY

The DamarTex group ends the 2016/2017 financial year with a turnover of €774.9 million, up +8.0% in real terms compared with the previous financial year (+11.8% at like for like exchange rate).

In an economic environment which remains challenging, with complicated market conditions in France, the Group's performance has been positively affected during the financial year by the successful integration of the acquisitions (Vivadia, Xandres, 3Pagen and Vitrine Magique). Exchange rates have had a negative impact on the Group's performance because of the sharp fall of sterling against the euro during the financial year.

The "**Textile**" activity recorded a **+1.5%** growth in turnover of the financial year (at like for the like exchange rate), which represents €613.2 million (-1.2% in real terms).

The "**Home & Lifestyle**" activity, dedicated to well-being and home products, showed an excellent growth of **+82.3%** at like for the like exchange rate,





meaning a growth of €161.7 million (+67.7% in real terms) over the full financial year.

RESULTS

Through the financial year, **the EBITDA has shown a 3.4% growth** and is standing at **€35.7 million**, i.e. 4.6% of the turnover.

Current operating income stands at €23.0 million and has progressed by **+6.2%** compared with the previous year. The positive impact of the acquisitions counterbalances the decline in business and the pressure on margins at like for like perimeter. Fine-tuned management has made it possible to limit the negative impacts of the volatile business on the commercial and distribution costs.

Current operating income of the **"Textile"** activity stands at €14.1 million and has decreased by -14.0% due to the decline of the Damart brand, while the current operating income of the **"Home & Lifestyle"** activity has progressed by 68.8%, standing at €8.9 million thanks to the successful integration of 3Pagen and Vitrine Magique. This good performance confirms the Group's strategy regarding acquisitions and the reinforcing of the Home & Lifestyle activity.

Net earnings stand at €16.4 million and has decreased by -3.0% due to the absence of loss for the discontinued operations. This result is impacted by the growth of the financial expenses, taking into account a slightly increased debt related to the acquisitions made and the unfavourable exchange rates. The tax rate remains low thanks to the expected decrease of the tax rate for French companies.

FINANCIAL POSITION

Net financial debt stands at €35.1 million as of the end of June 2017, compared with a net debt of €10.8 million as of 30 June 2016, taking into account the acquisition of Xandres and 3Pagen for a total amount of €27.2 million.

Besides, the Group has decided to keep making significant and strategic investments, which represent a total amount of €18.9 million as for the current financial year. Damart has benefited from a proactive management of its network of stores. The modernization of the IT tools and operations has also been pursued.



DIVIDENDS

The Board of Directors (*Directoire*) will propose to the General Assembly scheduled for 15 November 2017, the distribution of a dividend of €0.65 per share.

OUTLOOK

Despite the complicated market conditions, the adaptation measures and the investments made over the last few months to reinforce the brands continue.

The resistance of the financial and operating performance confirms the relevance of the Group's strategy.

After the successful integration of the acquisitions made this year, the Group intends to benefit from the enlargement of its perimeter and to capitalize on its various growth drivers.

PROFILE

The Damartex group operating under the names Damart, Afidel, 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, 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

Publishing of sales figures for the first quarter of 2017/2018:

18 October 2017



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DAMARTEX

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