

Results for the first half of the 2018-2019 financial year

A noticeable decrease in results in a very degraded environment

CONSOLIDATED DATA AS OF THE END OF DECEMBER (in million Euros)	2017/18 Published	2017/18 Restated*	2018/19 Published	Variance
Turnover	408.8	408.2	384.9	-5.7%
Earnings before interest, taxes, depreciation and amortization(EBITDA)	21.2	21.5	6.5	-69.9%
Current operating income	13.0	13.4	(1.9)	ns
Non-current operating items	0.5	0.5	0.6	
Financial results	0.0	0.0	0.1	
Corporate income tax	(1.6)	(1.6)	(1.3)	
Net income from continuing operations	11.9	12.3	(2.5)	ns
Net income from discontinued operations	0.0	(0.3)	(1.3)	
Net profit	11.9	11.9	(3.8)	ns

*Data restated following the closing down of Vivadia

ACTIVITY

For the first half, the Group recorded a turnover of €384.9 million, down -5.7% in real terms compared with the same period last year (-5.8% at like for like exchange rate).

The turnover for the "Textile" activity stands at €296.6 million, noticeably down -7.5% compared with the first half of the previous financial year (-7.6% at like for like exchange rate). The period was particularly impacted by the decline of Damart (-5.7%) and Afibel (-16.6%).

The "Home & Lifestyle" activity proved more resilient at +.8% (+.7% at like for like exchange rate). The turnover, which stands at €88.2 Mn, was driven including by Coopers of Stortford, which has returned to a positive trend at +3.3% and by Vitrine Magique (+2.7%). Both brands have benefited from the transformation plans implemented by the Group.



RESULTS

The **current operating income (ROC) recorded a loss of €-1.9 Mn**, particularly impacted by the sharp economic downturn of the Textile activity.

The product margin resisted well with a limited decrease of €-1.9 Mn thanks to the operations conducted upstream on supply costs.

In France, the "yellow vests" movement led to the sporadic closing of many stores as from mid-November, as the Group set the safety of its employees and customers as a priority. In addition, the unpredictable nature of the movement prevented the strong-willed commercial investment policy from producing the expected effects, with a strong impact on results.

The unrest, just like the fear of a "Hard Brexit" in Great-Britain, has contributed to provoking anxiety among European seniors who have entered a wait-and-see holding pattern in terms of consumption.

Despite these conditions, the **EBITDA remains positive at €+6.5 Mn** thanks to the Group's resilient fundamentals.

The net earnings stand at €-3.8 Mn also impacted by the costs for closing down Vivadia which amount to €-1.3 Mn (including restructuring, depreciation of assets and loss of business). As a reminder, the Group has decided to wind up Vivadia whose prospects no longer matched expectations.

FINANCIAL POSITION

The **net financial debt**, even though it has increased by €3.5 Mn against 31 December 2017, **remains contained at €36.2 Mn**. The excellent steering of the working capital requirement (a gain of €10.6 Mn for the 2018 civil year) allows Damartex to finance a significant amount of strategic investments of €8.3 Mn over the half year.

OUTLOOK

In this difficult market context, the financial robustness of the Group will allow for a high level of transformation investment that is indispensable to meet the challenges of the evolution in the consumption patterns.



In addition, the current strategic overhaul of Afibel's business model should be finalized by the beginning of the next financial year.

Finally, in order to safeguard its profitability and better resist the impacts of the current economic situation, the Group has also implemented a strong-willed saving plan of close to €10 Mn that concerns all the types of expenses that are not visible to customers.

PROFILE

The Damartex Group operating under the names Damart, Afibel, La Maison du Jersey, and Xandres for the "Textile" activity, 3Pagen, 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.

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KEY DATES

Publishing of sales figures for the third quarter: 18 April 2019



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