

55+

damartex
GROUP

7 September 2017

FINANCIAL INFORMATIONS



Yearly meeting

Fiscal Year 2016/2017



Executive summary

Strong results in relation to the strategic roadmap

- Integration of new brands
 - Vivadia and Xandres : from 1st July 2016
 - 3Pagen and Vitrine Magique : from 1st October 2016Execution in line with expectations, results in line with acquisition's BP
- Activity & results in growth despite a difficult environment
- Continued investments in development, modernization and productivity



Chantal Thomass

x

DAMART

*Thermolactyl
is the new black*





Environment

■ Market

- Good market performance in Germany
- Great Britain : strong fall of £ and competitive aggressiveness in a market become stagnant
- Very disturbed French market, stressful politics context for seniors, continuous increase of households confidence
- Acceleration of e-commerce and the market share of market places
- Sales in decrease, reversing of trend “buy better”



■ Competitive

- Less known winners
- Market in strong restructuring

**BUY
LESS,
CHOOSE
WELL**

-VIVIENNE WESTWOOD-

FINANCIAL INFORMATIONS

 Summary

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1. Financial results
2. Activity by sector
3. Strategic roadmap
4. Prospects
5. Appendices



Yearly key figures

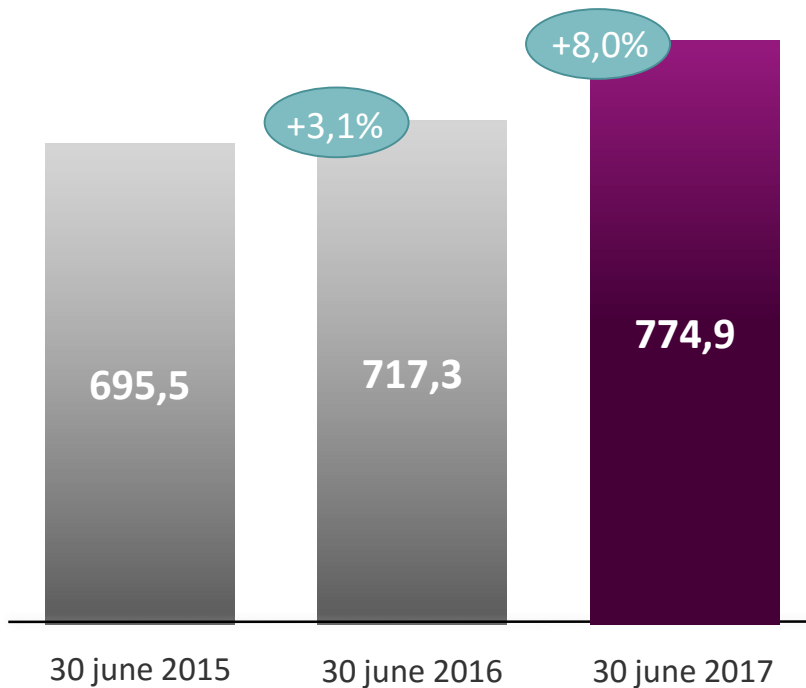
(in million euros)

	30 june 2014	30 june 2015	30 june 2017
Turnover	695,5	717,3	774,9
Current operating result	19,7	21,6	23,0
%TO	2,8%	3,0%	3,0%
EBITDA	31,5	30,9	35,7
%TO	4,5%	4,3%	4,6%
Net result	12,7	16,9	16,4
CAPEX	15,7	16,2	18,9
Acquisitions (net of cash acquired)	0,0	-1,9	-26,2
Net financial surplus	-7,4	-10,8	-35,1
ROCE	7,7%	9,5%	7,5%



Yearly turnover

(in million euros)



	% 17/16 Real rates	% 17/16 Constant rates	% 17/16 Constant perimeter and rates
First quarter	-5,9%	-1,0%	-5,6%
Second quarter	+ 9,5%	+ 13,8%	-1,1%
Third quarter	+ 17,7%	+ 20,6%	-0,9%
Fourth quarter	+ 9,1%	+ 11,6%	-3,8%
2017 vs 2016 evolution	+ 8,0%	+ 11,8%	-2,6%

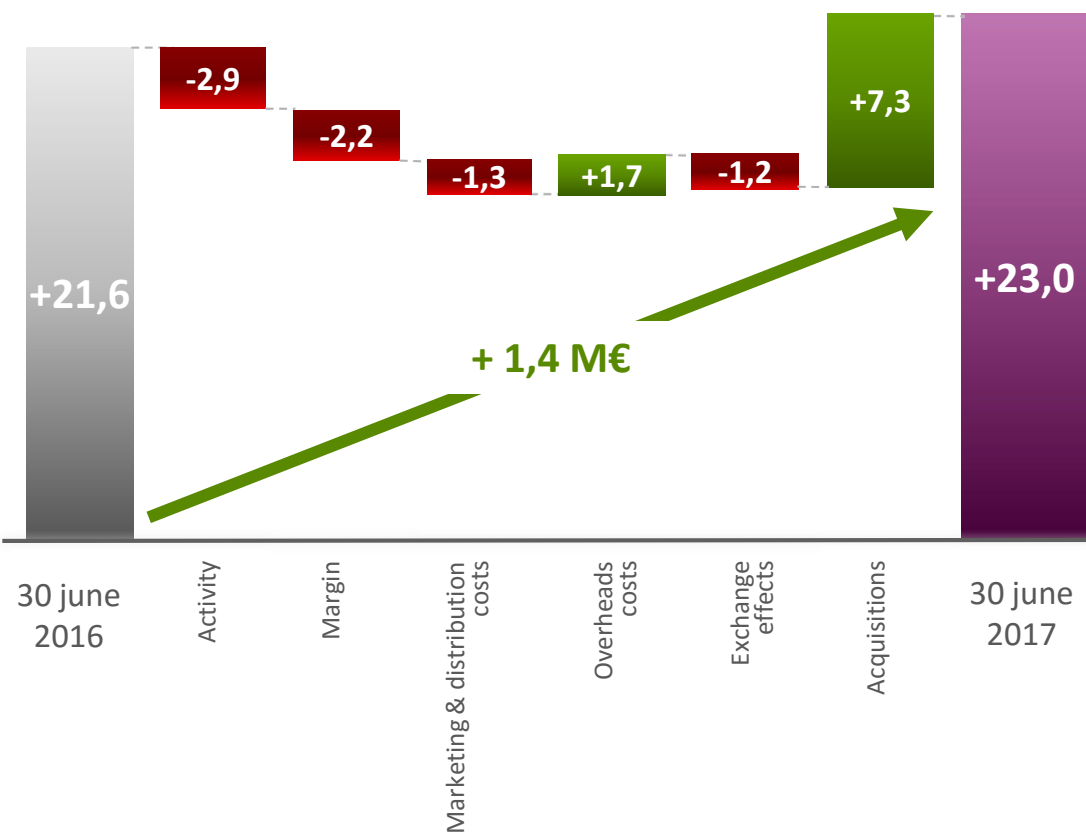
Evolution of sales

- Fx exchange impact: -24,3 M€
- Acquisitions : +100,0 M€
 - 3Pagen & Vitrine magique : 78,1 M€
 - Xandres : 20,8 M€
 - Vivadia : 1,1 M€
- Constant perimeter and rate : -18,1 M€



Yearly current operating result

(in million euros)



- Contraction of activity at constant perimeter and exchange rate
- Marginal decrease of margin with a contained impact of \$ and £ variations
- Preservation of commercial investments
- Management of distribution costs more difficult during the second half year period
- Exchange impact €/£ significant for -1,2 M€
- Very positive contribution of acquisitions

➔ ROC in growth of 6,2%



Yearly results

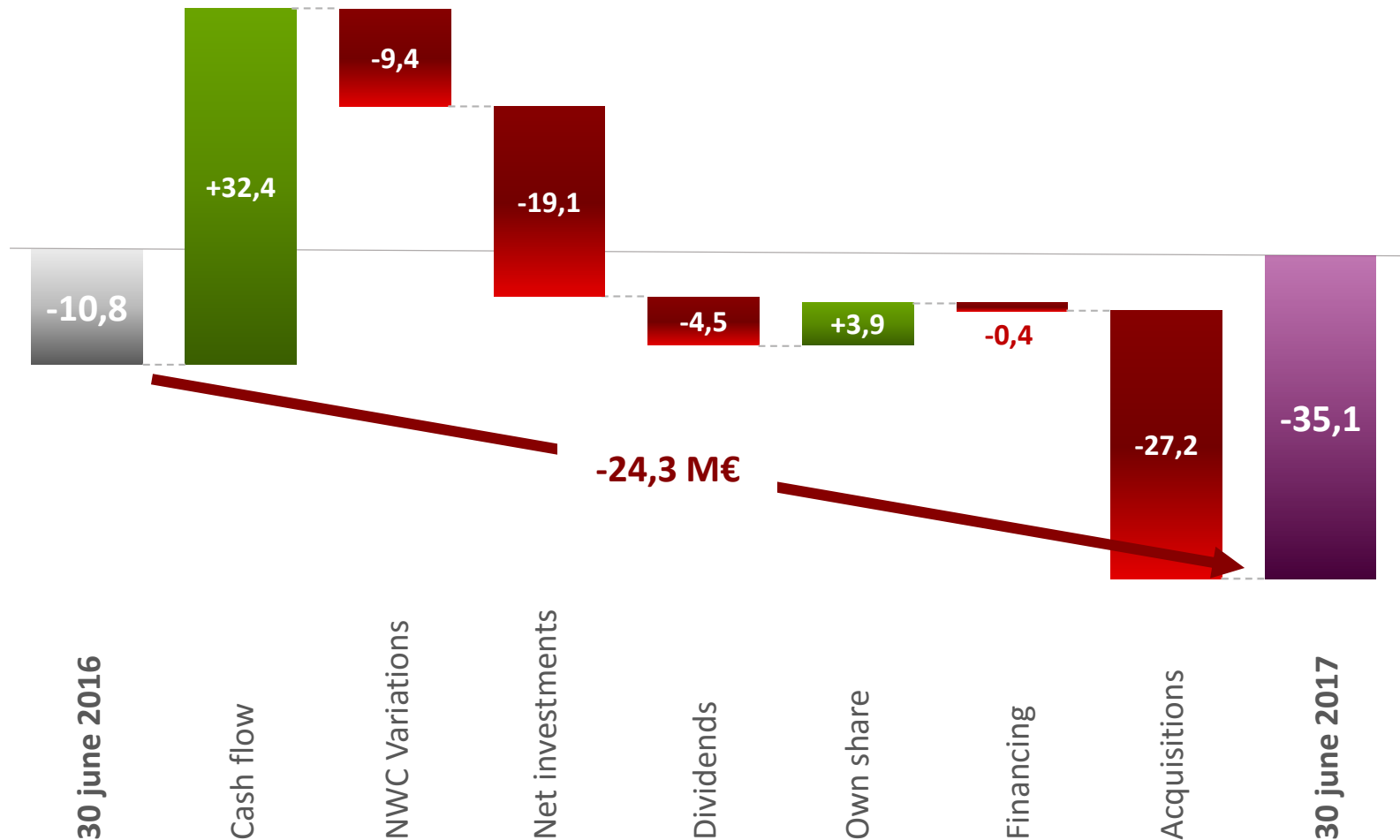
(in million euros)

	30 june 2015	30 june 2016	30 june 2017	%17/16
Current operating result	19,7	21,6	23,0	+ 6,2%
Other operating result	0,6	-1,0	-1,7	
Operating result	20,3	20,6	21,3	+ 3,5%
Financial result	-1,2	-0,2	-2,4	
Result before tax	19,1	20,4	18,9	-7,3%
Tax	-1,7	-1,1	-2,6	
Result of continued operations	17,4	19,3	16,3	-15,4%
Result of discontinued operations	0,0	0,0	0,0	
Net result	17,4	19,3	16,3	-3,0%
Result per share €	1,78	2,47	2,35	



Net financial surplus

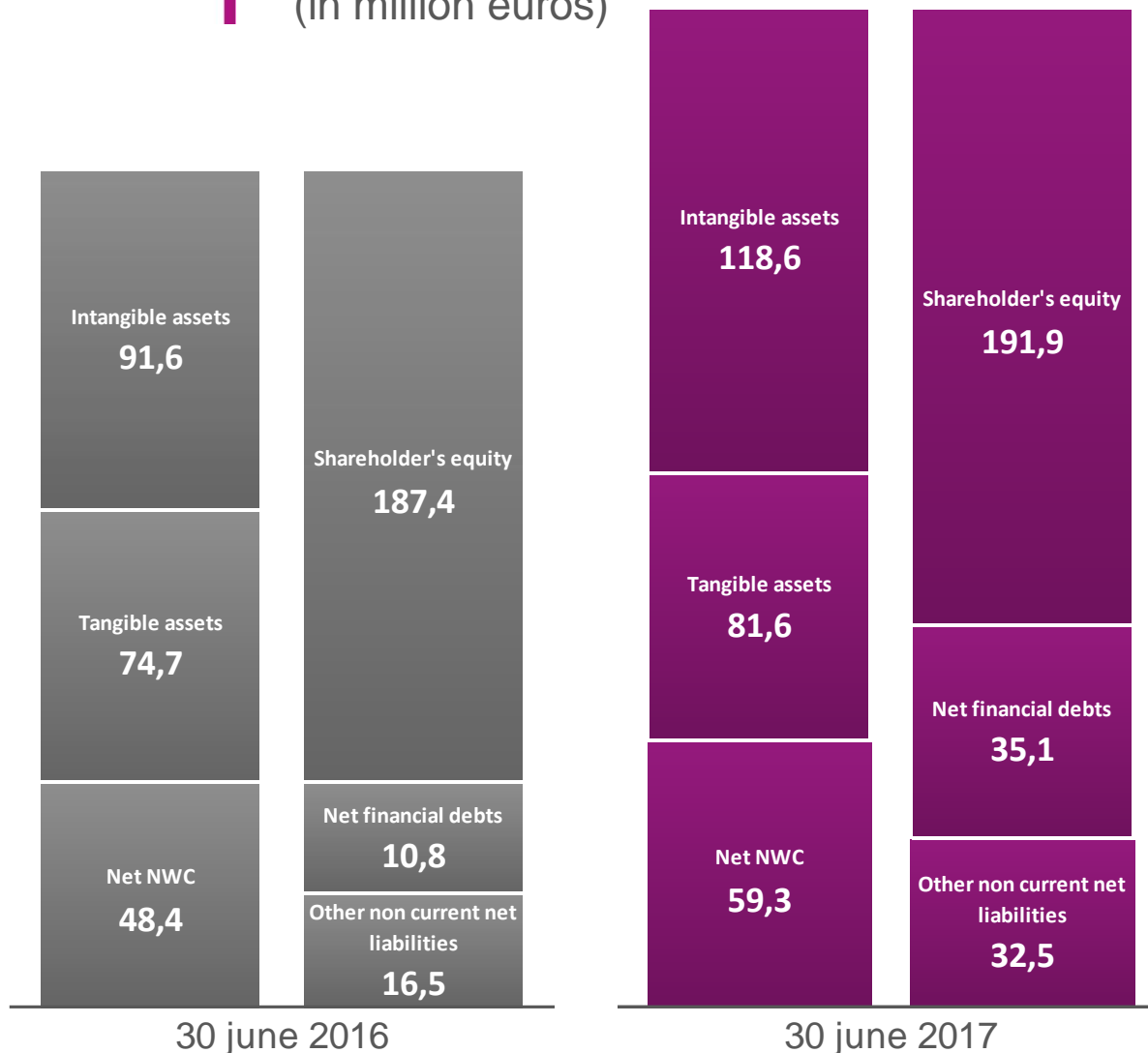
(in million euros)





Balance Sheet

(in million euros)



- Increase of the balance sheet following acquisitions (especially intangible assets)
- Other non current net liabilities in growth (pension liabilities and exchange)
- Ratio net debt on equity at 18,3%
- Confirmed credit lines for 120 M€

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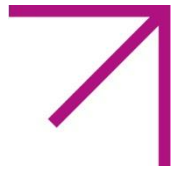
1. Financial results
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Evolution of turnover by activity

(in million euros)

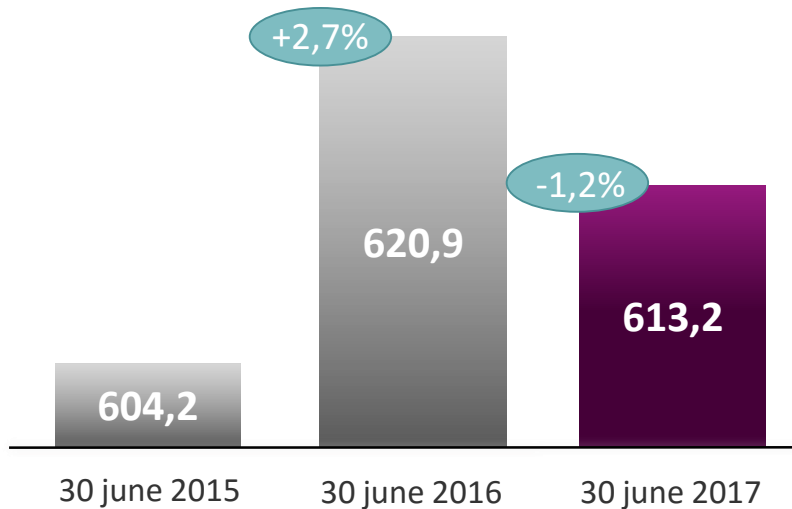
	30 june 2015	30 june 2016	30 june 2017	% 17/16 real rates	% 17/16 Constant rates	% 17/16 Constant perimeter and rates
Textile	604,2	620,9	613,2	-1,2%	+ 1,5%	-2,0%
Home & Lifestyle	91,3	96,4	161,7	+ 67,7%	+ 82,3%	-7,0%
Damartex Group	695,5	717,3	774,9	+ 8,0%	+ 11,8%	-2,6%



Evolution Textile sector

(in million euros)

Turnover



Profitability

	30 June 2015	30 June 2016	30 June 2017
Current Operating Result	13,1	16,4	14,1
% Profitability	+ 2,2%	+ 2,6%	+ 2,3%

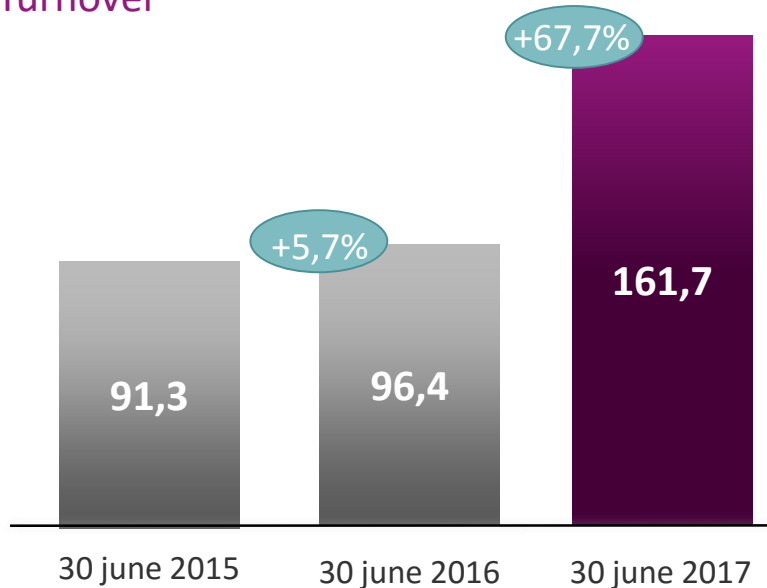
- Turnover evolution at like for like exchange rate : +1,5%
 - First half year: +0,7%
 - Second half year: +2,4%
- Damart : decrease on French and Belgium markets, good resistance in Great Britain. Continuation of development of the French Damart store network. Acceleration of e-commerce
- Afibel : good performance in Great Britain (+25,0%) compensating a soft French market
- Maison du Jersey and Xandres : consolidation work before acceleration



Evolution Home & Lifestyle sector

(in million euros)

Turnover



- Evolution of turnover at like for like exchange rate: +82,3%
 - First half year: +59,4%
 - Second half year: +106,7%
- Development of 3Pagen and ongoing recovery of Vitrine Magique, which realize +5,8% growing up on 9 months
- Disappointment for Coopers who stays in decrease -11,9% : under performance for news products & war price
- Stable exercise for Sedagyl and Delaby in spite of a recovery during the second half year
- Acceleration of the growth for Vivadia

Rentability

	30 June 2015	30 June 2016	30 June 2017
Current Operating Result	6,7	5,3	8,9
% Profitability	+ 7,3%	+ 5,5%	+ 5,5%

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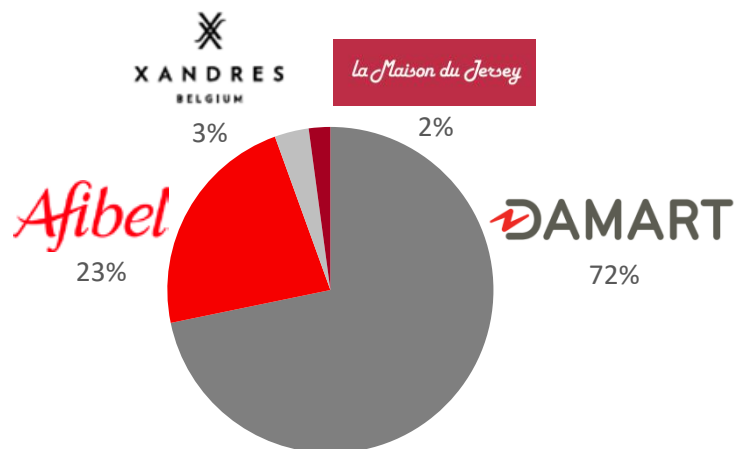
Balanced approach

Textile sector

Turnover: 613 M€

Key strategic elements:

1. Differentiation by an ambitious omni-channel strategy
2. Brands modernization
3. Investments in productivity and services

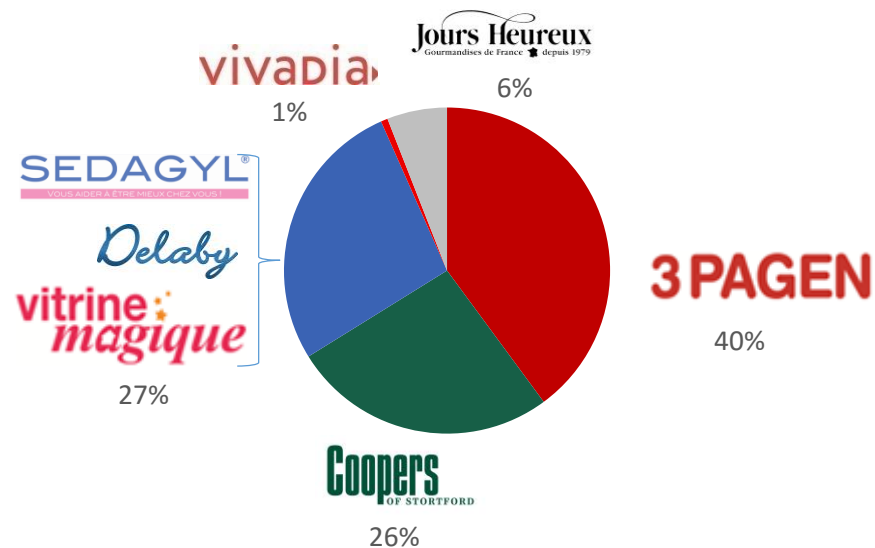


Home & Lifestyle sector

Turnover: 162 M€

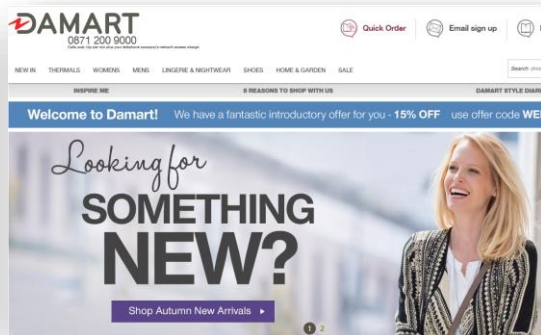
Key strategic elements :

1. Keep a sustained growth
2. Search for scale economies
3. Investments on growth drivers





Textile sector: Ambitious omni-channel strategy





Textile sector: Ambitious omni-channel strategy

Retail

166 stores

- Capitalize on Louise concept
- Clear real estate plan:
 - 6 to 8 opening / year
 - 6 to 10 renewing / year
- Flagship Damart in Lille
- Modernization of Mkg plan

E-commerce

700,000 unique visitors / month

- Priority to multi device experience (Agility !)
- Platform upgrade
- Logistic investments
 - ➔ Service improve
- Skills insourcing

Traditional MO

150 Millions catalogues

- Strong convictions on the preservation of the paper in the mix
- Modernization of formats & promotional dynamics

Wholesale

400 points of sale

- Model favoured for Xandres and DamartSport
- Geographical growth

Market place

Amazon, I-Run, Yoox, etc.

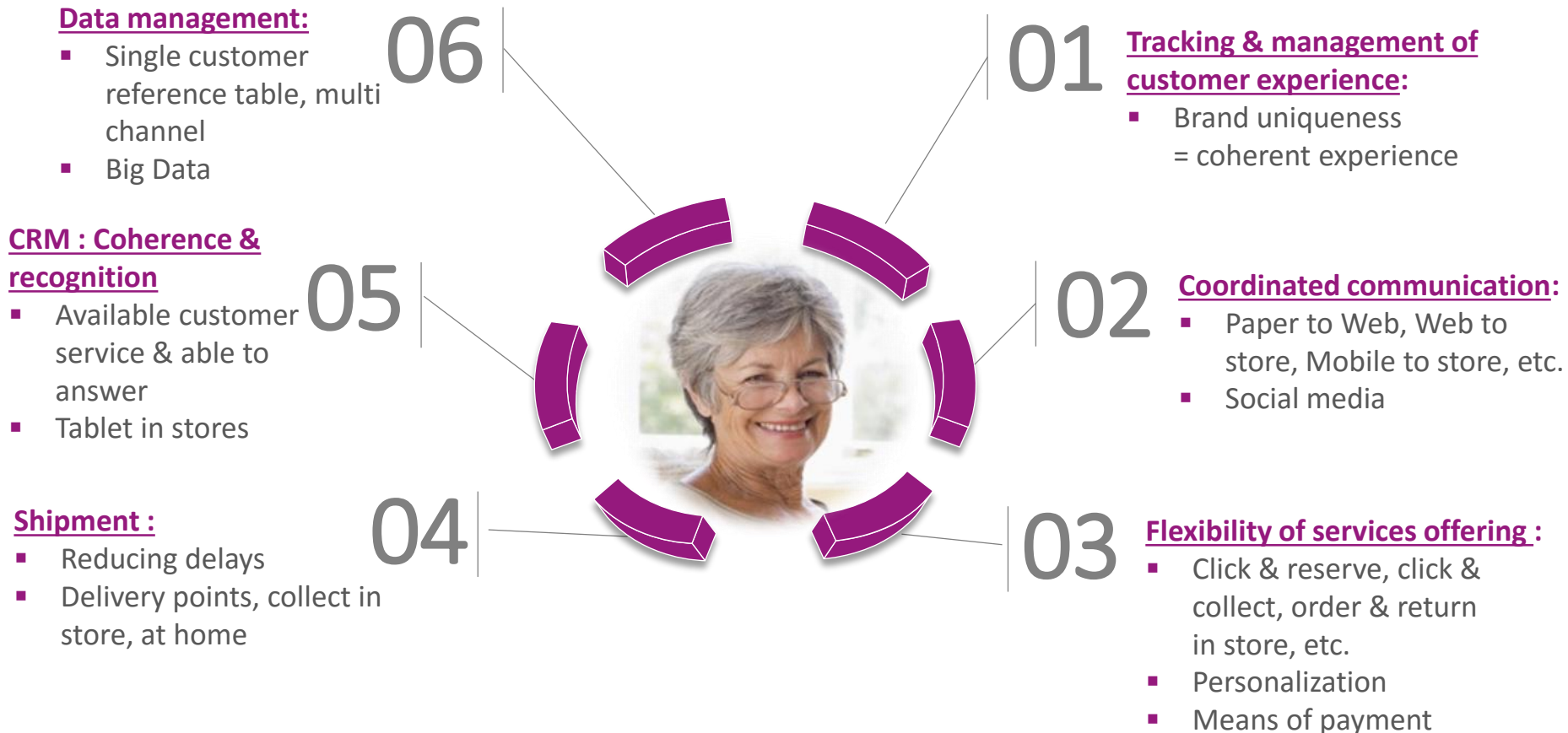
- Control on range and pricing
- Priority to iconic products & differentiating:
Thermolactyl, DamartSport, Xandres X-Line

B2D / B2A

- Pragmatic and opportunist approach
- Capitalize on brands power & technical skills:
 - Damart: Army, police, firemen, TNT, etc.
 - Xandres: SN Brussels airlines, Avia Partners, etc.



Textile sector: Ambitious omni-channel strategy



Textile sector: Brands modernization

- Significant investments on shoes (Damart)
- Preservation of modernization dynamic of Thermolactyl (Damart), Media plan for the launch of « Thermol love »
- Evolution of the models
- Strengthening of citizen's engagement for all brands





H & LS sector: Search for scale economies

- Buying office opening in Shanghai (Puxi)
 - November 2017
 - Buying volume of 50 M\$
 - Structuration of the team in progress
 - Quality and RSE stakes
- Share of the range between brands
 - Best products
 - Rationalization of suppliers park
- Share marketing and promotional model between brands
- Synergies in progress on the French market



H & LS sector: Growth drivers

Acceleration of Vivadia growth

- Objective 10M€ in 2020
- Extension of range, development of new partnerships
- Investment in qualified traffic
- Structuration of team (CRM, IT, marketing), logistic partnership

Market in strong growth

- 11 millions of caregivers in France
 - 56% of caregivers are women
 - 4,62 millions of family caregivers are wage-earners
 - 79% of people who declare to bring help do not consider themselves as caregivers
- Lot of actors but no referent





H & LS sector: Growth drivers

Creation of E-Wear Solutions

- A start-up specialized in “second skin” clothes connected for 55+
- Company owned at 85% by Damartex
- Innovating products and services offering based on physiological data capture to the service of “good to age”
- Based on the incubator Eurasanté in Lille with the support of consortium Textronic with BioSerenity, co-financing of BPI





H & LS sector: Growth drivers

Opening of store Jours heureux
in « Vieux Lille »



Jours heureux teste l'expérience magasin

Le catalogue de spécialités gourmandes traditionnelles de Damartex inaugure sa première boutique dans l'hypercentre de Lille. Un concept élaboré en réalité virtuelle.

RÉNOVATION PUSSEE

L'ancienne boutique de l'opticien Bonvalot a retrouvé son éclat dans l'hypercentre historique de Lille, où se concentre l'offre en produits de bouche haut de gamme.

LUMINEUX

Cette surface de 35 m² en longueur est rendue très lumineuse grâce à la grande vitrine et à un éclairage mixant l'efficacité directionnelle et le plus décoratif.



SAISONNALITÉ

L'offre permanente compte 150 références mais s'enrichit d'environ 80 produits spécifiques lors des grands événements calendaires: fêtes des Mères, des Pères, de fin d'année...



Le passage du catalogue au magasin a imposé de repenser et de reconditionner les packagings et de développer le vrac pour rendre l'offre encore plus gourmande.

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Prospects

- Caution on environment despite some positive signals
- Preservation of the investments on growth drivers
- Acceleration of digital transformation



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Detailed P&L

(in million euros)

	30 june 2015	30 june 2016	30 june 2017
Turnover	695,5	717,3	774,9
Consumed purchases	-234,7	-246,9	-268,2
Staff costs	-118,1	-121,0	-134,0
External charges	-311,4	-318,7	-337,2
Depreciation on assets	-11,6	-11,2	-12,1
Depreciation and release on provisions	0,0	2,1	-0,4
Current operating result	19,7	21,6	23,0
Other operating result	0,6	-1,0	-1,7
Operating result	20,3	20,6	21,3
Financial result	-1,2	-0,2	-2,4
Result before tax	19,1	20,4	18,9
Tax	-1,7	-1,1	-2,7
Result of continued operations	17,4	19,3	16,3
Result of discontinued operations	-4,7	-2,4	0,1
Net result	12,7	16,9	16,3



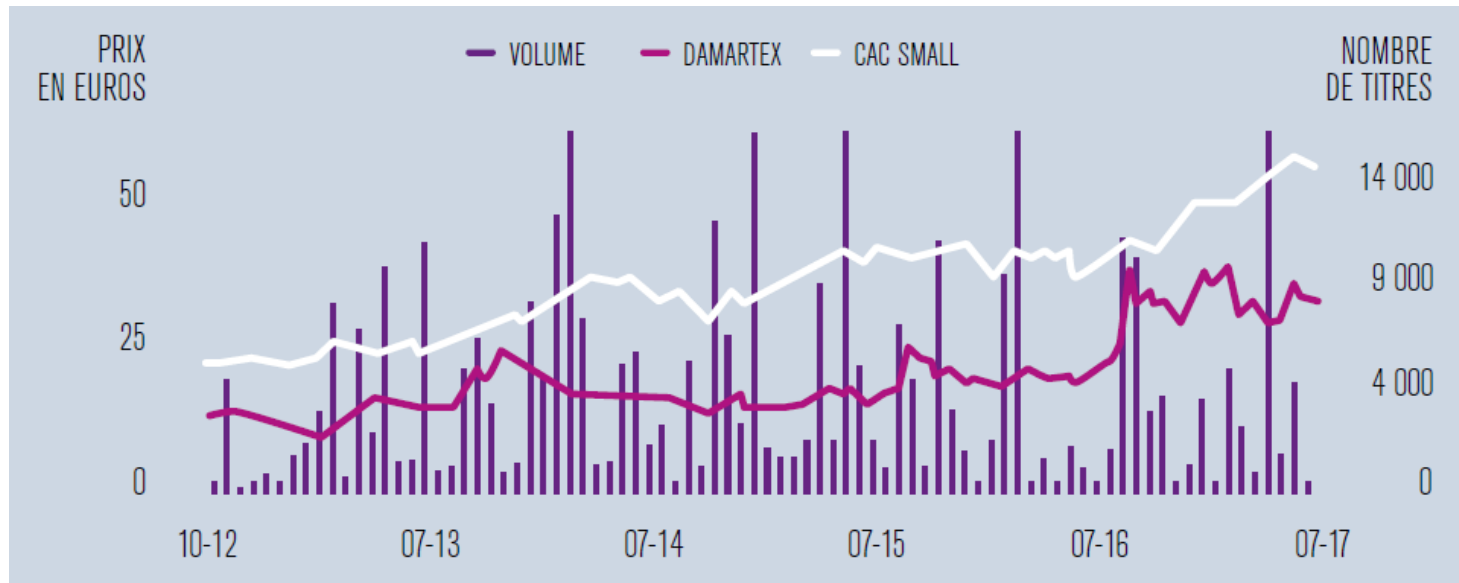
Detailed balance sheet

(in million euros)

	30 june 2015	30 june 2016	30 june 2017
Shareholder's Equity	182,1	187,4	191,9
Long term debt	6,3	7,6	2,4
Other non current liabilities	21,2	22,4	26,5
Non current liabilities	27,5	30,0	28,9
Goodwill	19,9	20,6	41,7
Intangible assets	75,1	71,0	76,9
Tangible assets	71,7	73,0	78,4
Other non current assets	1,5	1,7	3,2
Non current assets	168,2	166,3	200,2
Stocks	111,1	106,9	118,6
Receivables	29,5	31,3	31,0
Payables	66,9	64,9	71,2
Other current debts	32,5	24,9	19,1
Net need in working capital	41,2	48,4	59,3
Net derivatives instruments	1,3	6,1	-5,8
Other financial debts	0,8	0,8	1,5
Net liabilities linked to discontinued operations	0,0	0,2	0,2
Treasury	-0,2	-2,4	-31,2
Total balance sheet	391,5	393,0	438,4



Evolution of the share price



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PÔLE TEXTILE

DAMART
LA FIBRE DU BIEN-ÊTRE

Afibel

la Maison du Jersey


XANDRES
BELGIUM

PÔLE HOME & LIFESTYLE

SEDAGYL
Le Mieux-Être chez vous

Jours Heureux
Gourmandises de France ★ depuis 1979

Delaby

**vitrine
magique**

Coopers
OF STORTFORD

3 PAGEN

vivadia