

DAMART

Afibel

La Maison du Jersey



XANDRES  
BELGIUM

Coopers  
OF STORTFORD

Delaby

SEDAGYL®  
VOUS AIDER A ETRE MIEUX CHEZ VOUS!

vivadia

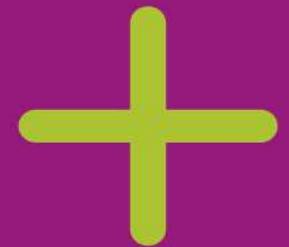
Jours Heureux  
Gourmandises de France ★ depuis 1979

8 september 2016

# FINANCIAL INFORMATIONS

YEARLY MEETING – FISCAL YEAR 2015/2016

damartex  
GROUP



# Executive summary

- Profitable growth with very positive signs on textile activity :
  - Sales increasing by 3,1% (like for like)
  - Net result increasing by 33%
  - Capex in the highest for 5 years
- Positive trend confirmed of customer satisfaction (Net Promoter Score)
- Pro-active management of real estate Damart stores
- Happy D. by Damart closure
- Modernization of logistics tools
- Acquisition of Vivadia in France and Xandrès in Belgium



# SUMMARY

Environment

Financial results

Activity

Strategy & external growth

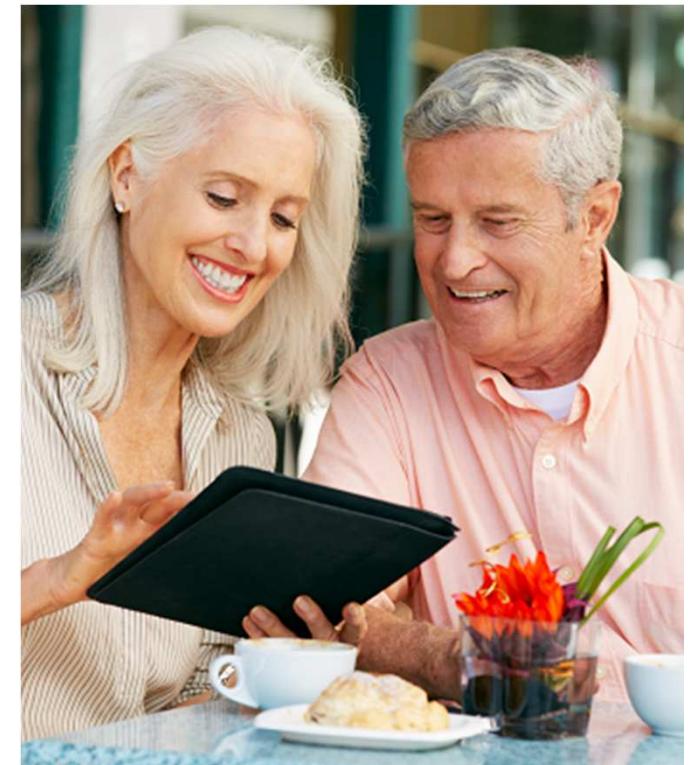
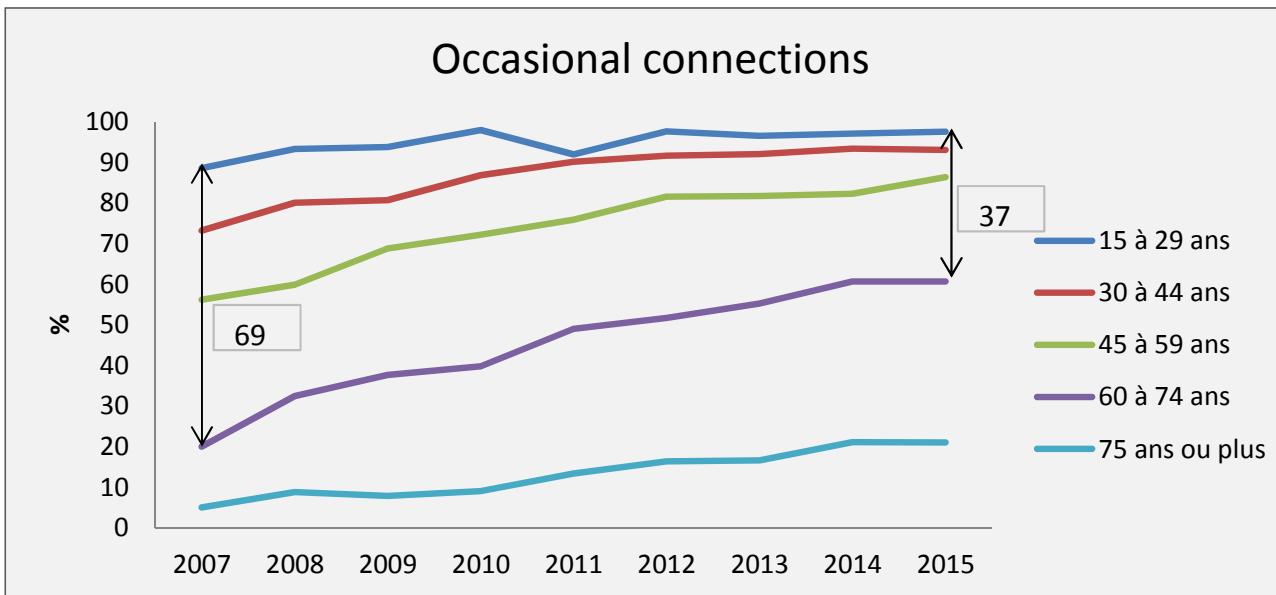
Prospects

Appendices



# Senior observatory

- Seniors more and more connected :
  - Reduction of half of digital divide in 8 years

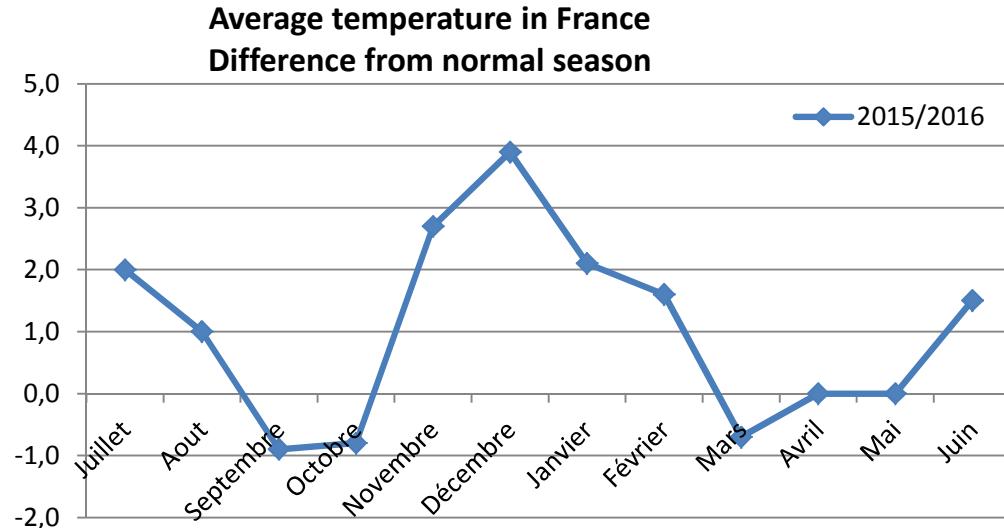


- Seniors = THE target to be seduced in the next elections
  - In 2015 french regional, the abstention rate of people over 60 was 33% (vs 50% for the whole population)
  - In 2015, there were 20 millions of 55+ in France !

# Environment

## ■ Weather impact :

Hottest winter since 1900 in France  
Spring Summer strongly marked by chilly temperatures



## ■ Events impact :

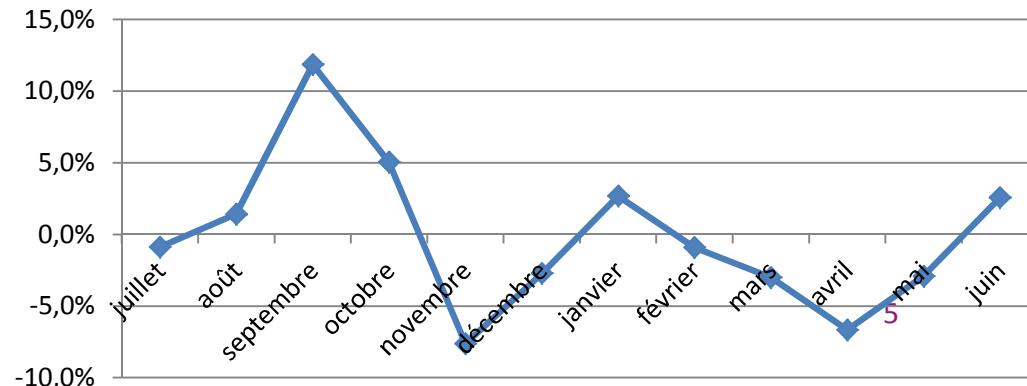
- Nov – Dec : Attacks Paris & Lock down Bruxelles
- March : Attacks Bruxelles
- March – June : Demonstration France



## ■ Market & consumption impact :

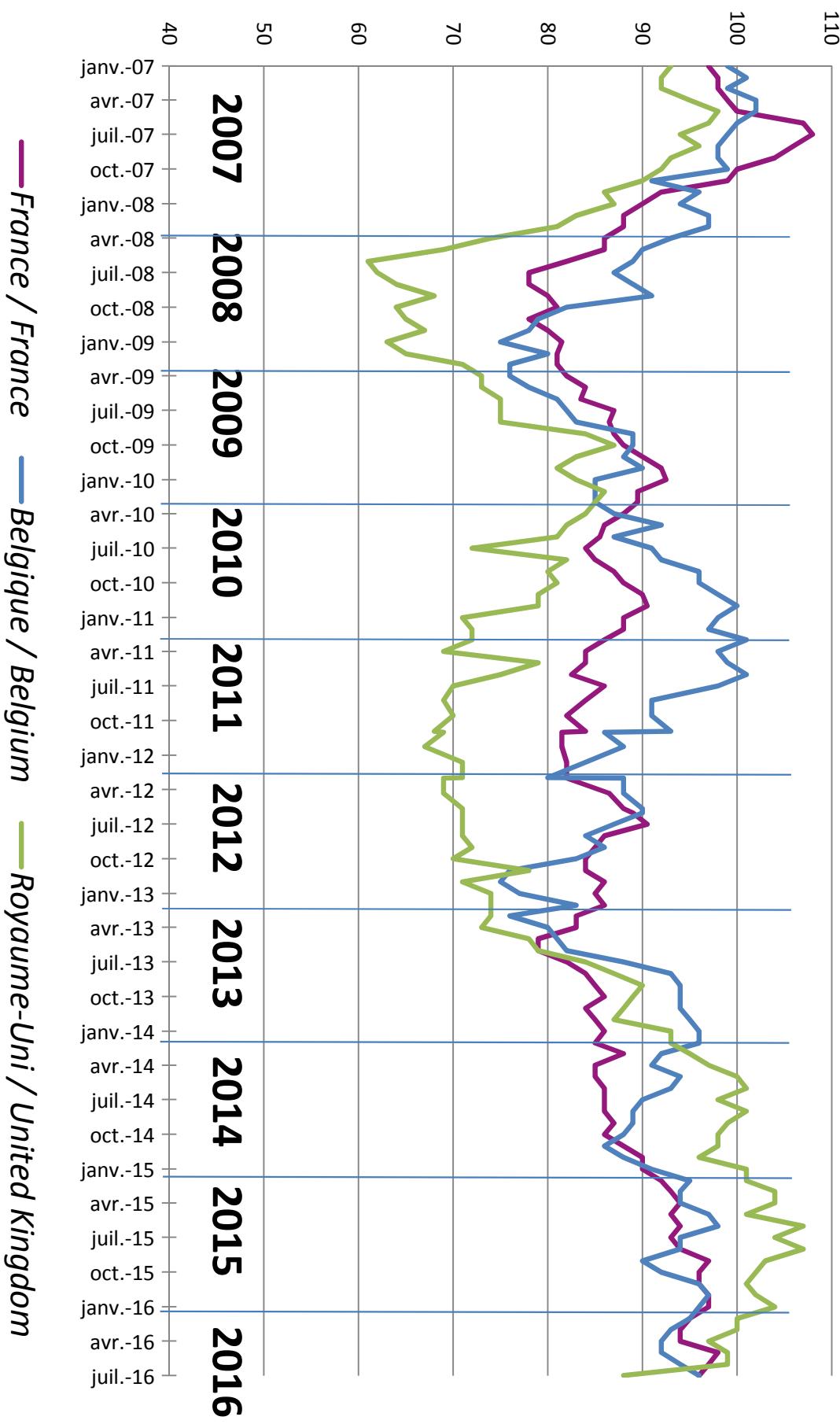
- France : promising dynamic of beginning year broken, but year of stabilization despite it all
- Great Britain : Maintaining of positive dynamic (but uncertainty due to Brexit)
- Belgium : the more depressed textile market for 5 years

Textile clothing consumption in France  
Difference between 2014/15 and 2015/16



# Environment

Indice de confiance des ménages



# SUMMARY

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**Strategy & external growth**

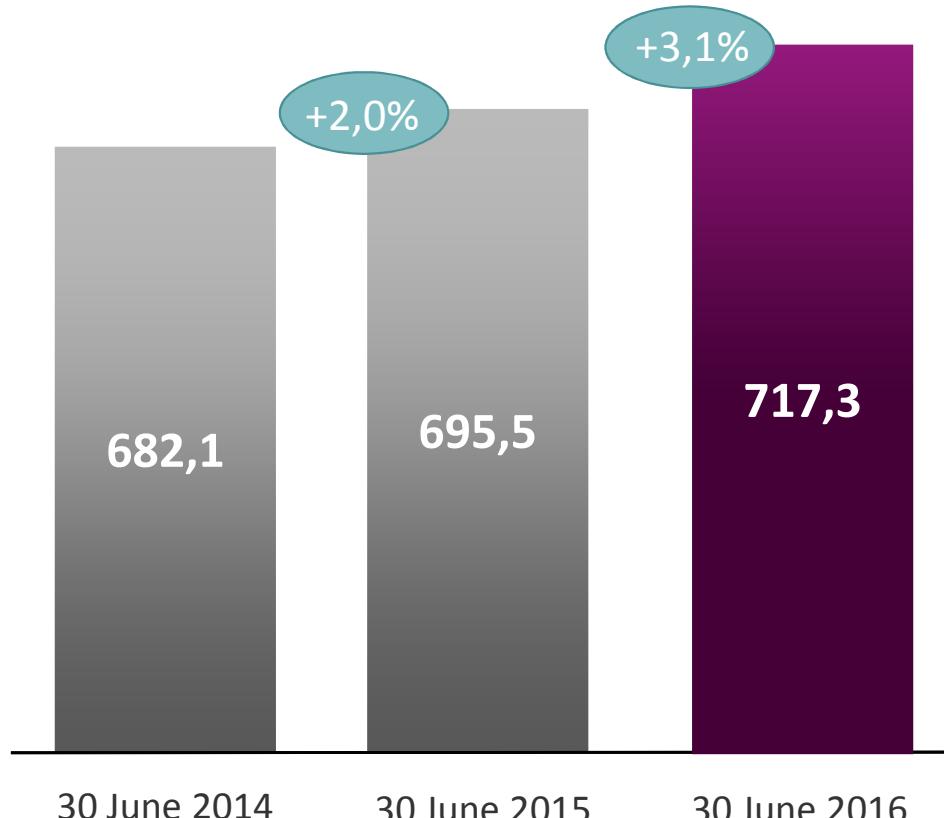
**Prospects**

**Appendices**



# Yearly sales

(in million euros)



|                               | % 16/15<br>Real rates | % 16/15<br>Constant<br>rates |
|-------------------------------|-----------------------|------------------------------|
| First quarter                 | + 8,2%                | + 4,7%                       |
| Second quarter                | + 3,9%                | + 1,7%                       |
| Third quarter                 | + 0,5%                | + 1,5%                       |
| Fourth quarter                | + 0,1%                | + 3,0%                       |
| <b>2016 vs 2015 evolution</b> | <b>+ 3,1%</b>         | <b>+ 2,6%</b>                |

30 June 2015 : without Happy D. by Damart  
Classified as discontinued activity at 30 June 2016

# Current Operating Result

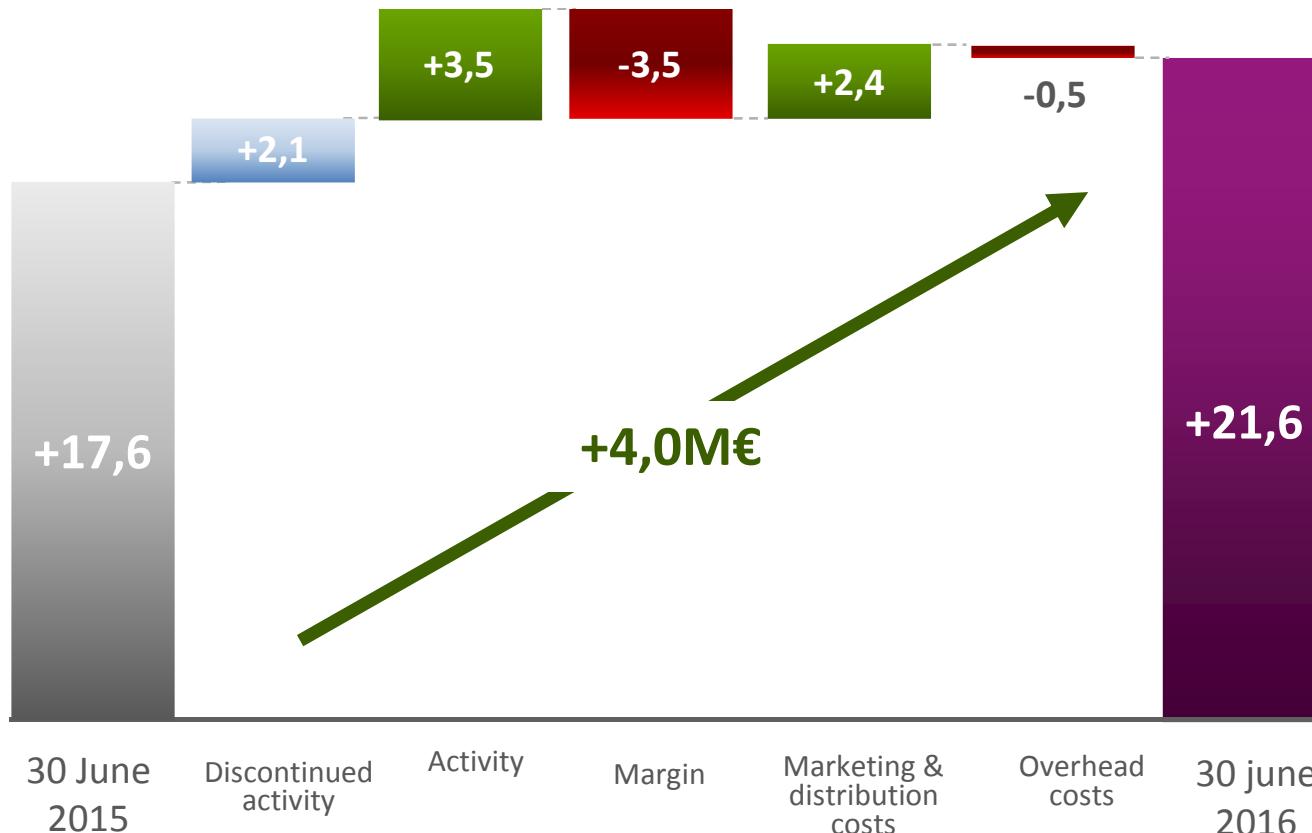
(in million euros)

|                                 | 30 june 2014 | 30 june 2015<br>published | 30 june 2015<br>proforma | 30 june 2016 | %16/15 vs<br>published | %16/15 vs<br>proforma |
|---------------------------------|--------------|---------------------------|--------------------------|--------------|------------------------|-----------------------|
| <b>Turnover</b>                 | 682,1        | 696,7                     | 695,5                    | 717,3        | + 2,9%                 | + 3,1%                |
| Gross margin                    | 447,5        | 460,3                     | 460,2                    | 471,0        | + 2,3%                 | + 2,4%                |
| Commercial and mailing expenses | -340,8       | -348,9                    | -347,7                   | -356,1       | + 2,1%                 | + 2,4%                |
| Operating charges               | -93,5        | -93,8                     | -92,8                    | -93,3        | -0,6%                  | + 0,5%                |
| <b>Current operating result</b> | 13,2         | 17,6                      | 19,7                     | 21,6         | + 22,9%                | + 9,6%                |
| % on TO                         | +1,9%        | +2,5%                     | +2,8%                    | +3,0%        |                        |                       |

30 June 2015 : without Happy D. by Damart classified as discontinued activity at 30 June 2016

# Current Operating Result

(in million euros)



- Closing of Happy D. by Damart activity
- Positive impact of activity growth
- Pressure on margin due to customers recruitment and a proactive stock flow policy
- Optimization of marketing and distribution costs without impact on growth
- Management of overheads

# Results

(in million euros)

|                                       | 30 june<br>2014 | 30 june<br>2015<br>published | 30 june<br>2015<br>proforma | 30 june<br>2016 | %16/15 vs<br>published | %16/15 vs<br>proforma |
|---------------------------------------|-----------------|------------------------------|-----------------------------|-----------------|------------------------|-----------------------|
| <b>Current operating result</b>       | 13,2            | 17,6                         | 19,7                        | 21,6            | + 22,9%                | + 9,6%                |
| Other operating result                | -5,3            | -2,0                         | 0,6                         | -1,0            |                        |                       |
| <b>Operating result</b>               | 7,9             | 15,6                         | 20,3                        | 20,6            | + 31,6%                | + 1,4%                |
| Financial result                      | -0,1            | -1,2                         | -1,2                        | -0,2            |                        |                       |
| <b>Result before tax</b>              | 7,8             | 14,4                         | 19,1                        | 20,4            | + 41,3%                | + 6,8%                |
| Tax                                   | -1,0            | -1,7                         | -1,7                        | -1,1            |                        |                       |
| <b>Result of continued operations</b> | 6,8             | 12,7                         | 17,4                        | 19,3            | + 52,2%                | + 11,3%               |
| Result of discontinued operations     | 0,0             | 0,0                          | 0,0                         | 0,0             |                        |                       |
| <b>Net result</b>                     | 6,8             | 12,7                         | 17,4                        | 19,3            | + 33,2%                | + 33,2%               |
| Result per share €                    | 0,94            | 1,79                         | 1,79                        | 2,47            |                        |                       |

30 June 2015 : without Happy D. by Damart classified as discontinued activity at 30 June 2016

# Balance sheet and Cash flow

(in million euros)

|                       | 30 june<br>2014 | 30 june<br>2015 | 30 june<br>2016 |
|-----------------------|-----------------|-----------------|-----------------|
| EBITDA                | 25,7            | 29,9            | 30,9            |
| NWC Variations        | -17,3           | 0,2             | -5,2            |
| Operating Cash Flow   | 6,7             | 26,8            | 19,5            |
|                       |                 |                 |                 |
| CAPEX                 | -9,2            | -15,8           | -16,3           |
| Acquisitions          | -25,6           | 0,0             | -1,9            |
| Own shares            | 0,1             | -8,2            | 2,7             |
| Dividends             | -3,6            | -3,2            | -3,7            |
|                       |                 |                 |                 |
| Net financial surplus | -9,0            | -7,4            | -10,8           |
|                       |                 |                 |                 |
| ROCE                  | 6,3%            | 7,7%            | 9,5%            |
| Result per share €    | 0,94            | 1,79            | 2,47            |

# Increased investments

## ■ Logistic :

- Automation by “Pocket sorter” for Damart in France
- Transfer project of Damart Belgium operations to the French site

## ■ IT tools:

- Infrastructure outsourcing over for Damart

## ■ Sites optimization :

- Transfer of La Maison du Jersey activity on Afibel site
- Concentration of all Afibel activities on one site

## ■ Proactive management of the Retail store network :

- 3 opening (Sète, Nantes Océane et Tours)
- 6 moving et 6 renewing
- 12 closing : 2 Damart , 4 outlet stores Damart, 4 Happy D. by Damart and 2 DamartSport



# SUMMARY

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# Evolution of turnover by activity

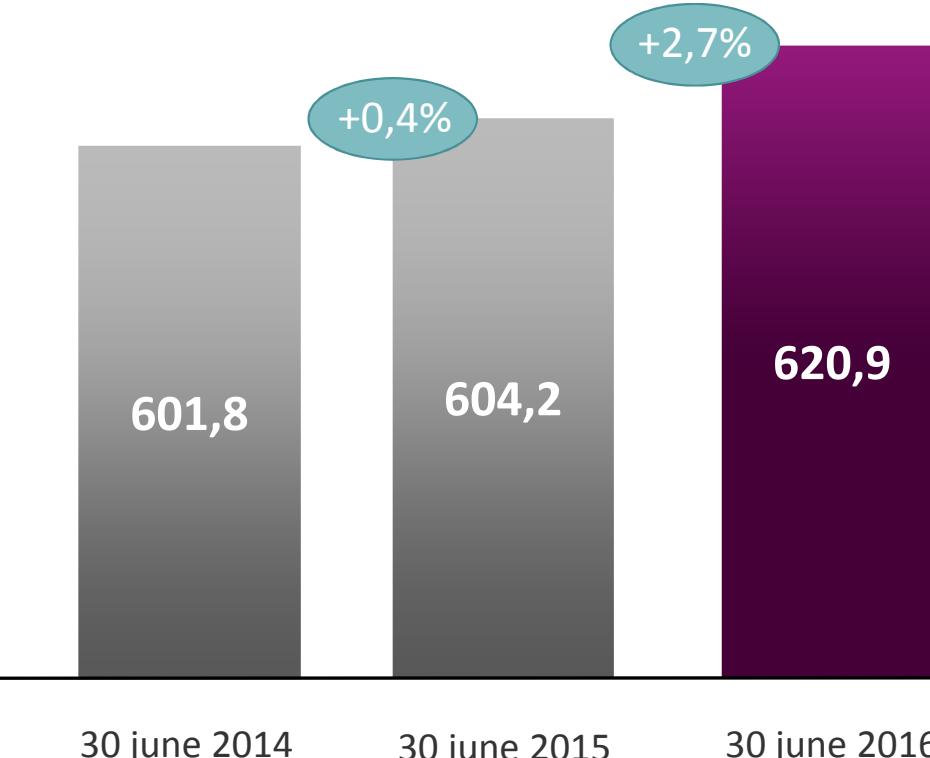
(in million euros)

|                       | 30 june<br>2014 | 30 june<br>2015 | 30 june<br>2016 | % 16/15<br>real rates | % 16/15<br>Constant<br>rates |
|-----------------------|-----------------|-----------------|-----------------|-----------------------|------------------------------|
| Textile               | 601,8           | 604,2           | <b>620,9</b>    | + 2,7%                | + 2,3%                       |
| Home & Lifestyle      | 80,3            | 91,3            | <b>96,4</b>     | + 5,7%                | + 4,5%                       |
| <b>Damartex Group</b> | <b>682,1</b>    | <b>695,5</b>    | <b>717,3</b>    | + 3,1%                | + 2,6%                       |

30 June 2015 : without Happy D. by Damart classified as discontinued activity at 30 June 2016

# Evolution of Textile sales

(in million euros)



*30 june 2015 : without Happy D. by Damart  
Classified as discontinued activity at 30 june 2016*

|                               | % 16/15<br>Real rates | % 16/15<br>Constant rates |
|-------------------------------|-----------------------|---------------------------|
| First half year               | + 4,8%                | + 2,6%                    |
| Second half year              | + 0,3%                | + 1,9%                    |
| <b>2016 vs 2015 evolution</b> | <b>+ 2,7%</b>         | <b>+ 2,3%</b>             |

- Very good performance of **Damart** in the UK and France with an acceleration of e-commerce
- Positive start of new concept store, further developing in retail network
- Customer recruitments acceleration in France and in UK for **Afibel**
- Strong growth of **La Maison du Jersey** with an interesting development in the UK

# Evolution of Textile sales



## Damart

- Significant investments on customer experience quality (response time, ergonomics, UX, etc.)  
→ positive impact on conversion rate
- DamartSport & Pro development in wholesales : more than 500 stores with a Damart corner this winter (Intersport, Go Sport, Gamm Vert, EPI centers, etc.)
- Launch of Damart Thermolactyl Sensitive : 21% of additional moisturization



**THERMOLACTYL  
SENSITIVE**

**LES REMÉDES  
DE GRAND-MÈRES,  
JE LES LAISSE  
AUX GRAND-MÈRES.**

**NOUVEAU THERMOLACTYL SENSITIVE :  
21% D'HYDRATATION EN PLUS.**

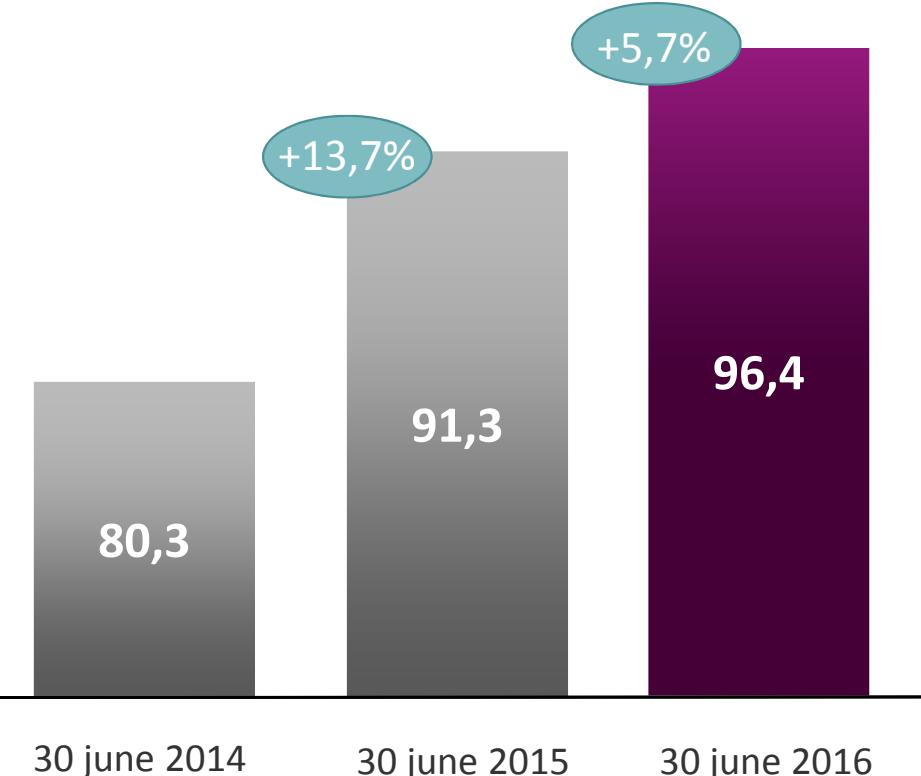
Grâce à ses fibres uniques et à la structure second peau, ce nouveau Thermolactyl crée un micro-environnement favorable au maintien de l'hydratation des couches supérieures de la peau. Une nouvelle génération de Thermolactyl qui prend soin de la peau sans additifs chimiques. Son efficacité est assurée à chaque utilisation et durant toute la durée de vie du produit.

3 tailles en 4 couleurs, disponibles dans tous nos magasins et sur Damart, à partir de 19€. Dans la limite des stocks disponibles jusqu'au 29/09/16.  
Moyenne d'hydratation après 40 de porté sur 12 personnes.

**DAMART**

# Evolution of Home & Lifestyle sales

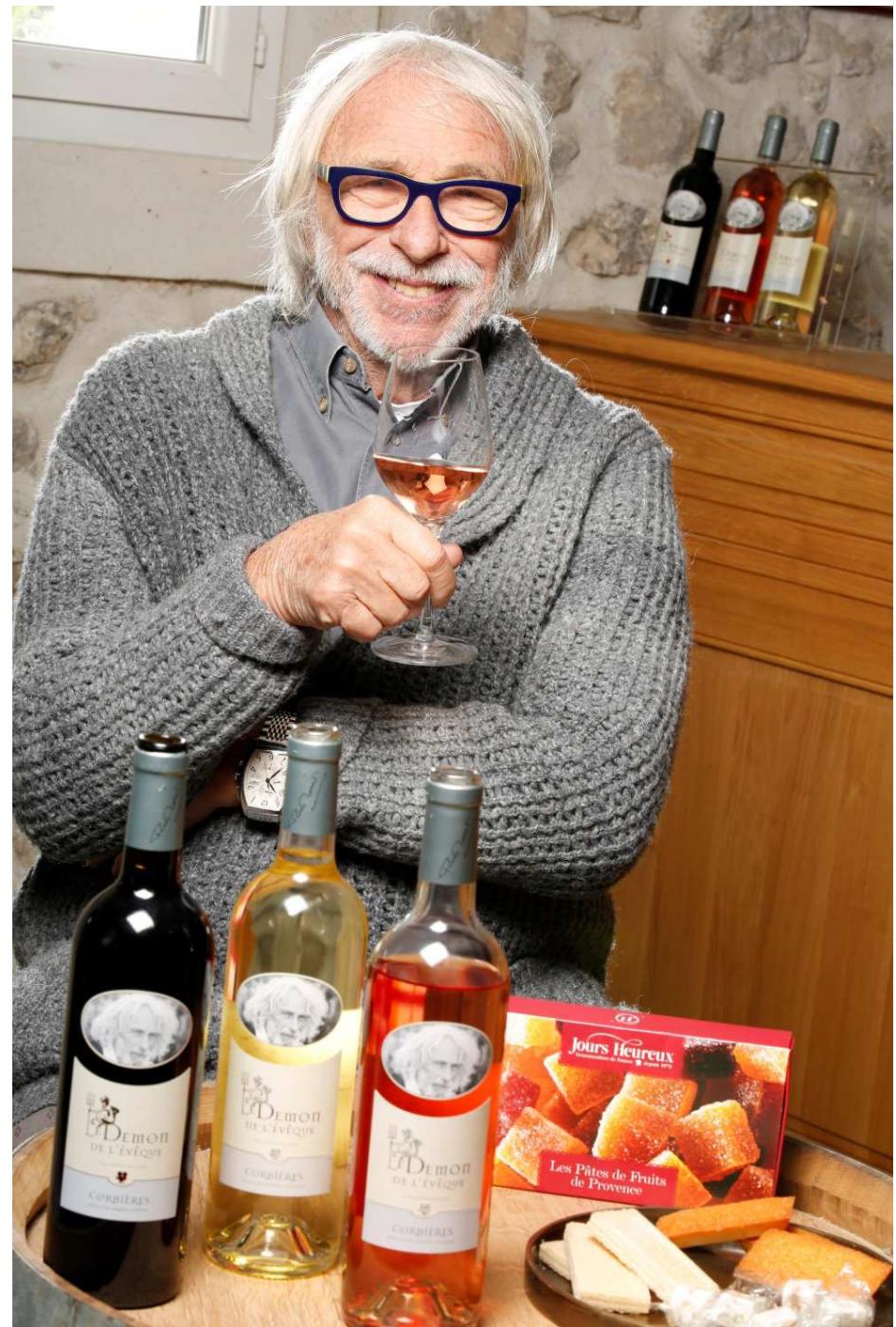
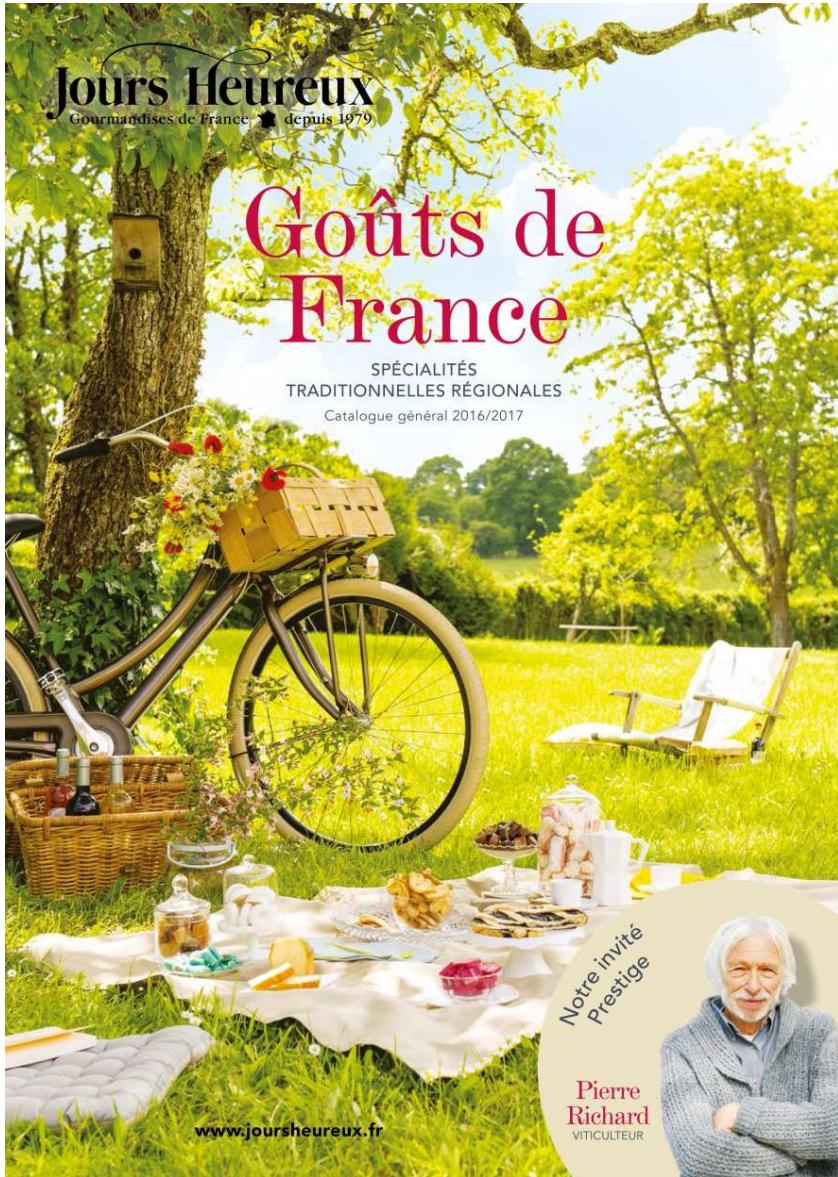
(in million euros)



|                               | % 16/15<br>Real rates | % 16/15<br>Constants rate |
|-------------------------------|-----------------------|---------------------------|
| First half year               | + 11,0%               | + 4,7%                    |
| Second half year              | + 0,2%                | + 4,2%                    |
| <b>2016 vs 2015 evolution</b> | <b>+ 5,7%</b>         | <b>+ 4,5%</b>             |

- Increase of competitive intensity for **Coopers** with aggressive price policy
- Acceleration of products renewal, sourcing evolution and **Coopers** suppliers network consolidation to maintain leadership on the UK market
- Strong growth of **Sedagyl** and **Delaby** driven by the accuracy of supply and promotional animation
- Year of contrasts for **Jours Heureux** with a hard autumn but good dynamic in the spring

# Evolution of Home & Lifestyle sales



# SUMMARY

**Environment**

**Financial results**

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**Strategy & external growth**

**Prospects**

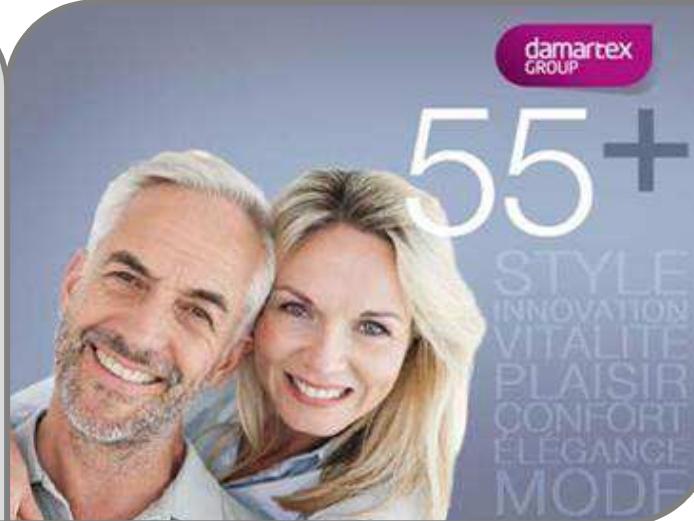
**Appendices**



# Leadership on 55+

## International

- Priority to « Seniors » market with presence in UK, USA, France, Benelux, Switzerland
- Presence through corners / master franchises in 6 other countries



## Brand portfolio

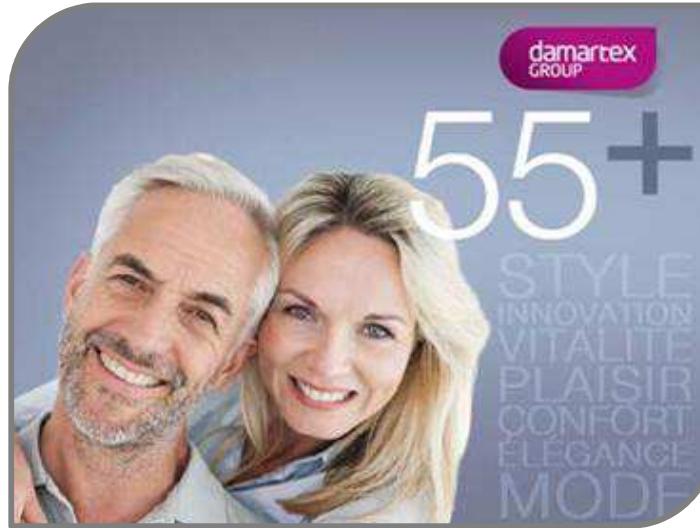
- 4 brands on Textile segment
  - 5 brands on Home & Lifestyle segment

## Omni-canal

- 164 own stores
- Presence in more than 500 stores in wholesales
- 13 websites et 1 marketplace
- 150 Million of catalogues released

# Leadership on 55+

## Vision



*Give smile to 55+  
by creation and distribution  
of specific products providing  
style, comfort and innovative solutions for daily life*

# Leadership on 55+

## International

- Priority to « Seniors » market with presence in UK, USA, France, Benelux, Switzerland
- Presence through corners / master franchises in 6 other countries

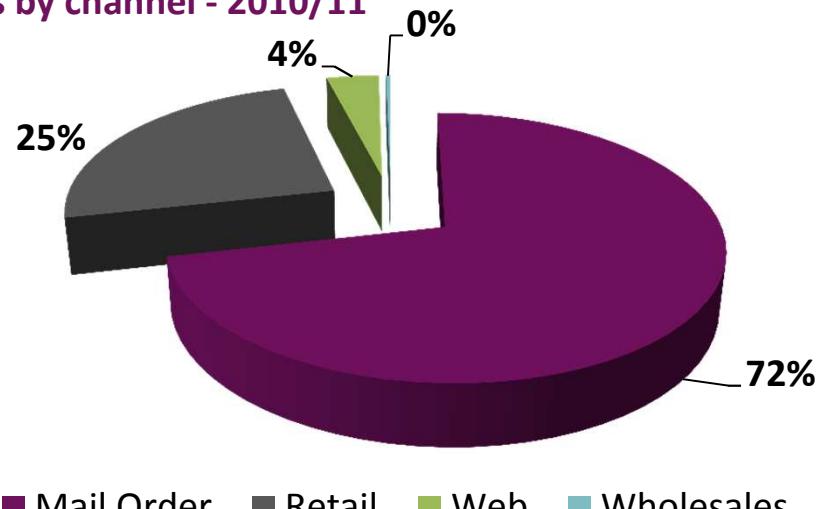
## Brand portfolio

- 4 brands on Textile segment
  - 5 brands on Home & Lifestyle segment

|   | Textile   | Home & Lifestyle  |
|---|---|---|
|   | <br><br> | <br><br><br><br> |
| France  | ✓   | ✓   |
| Belgium<br>Luxembourg   | ✓   |   |
| UK  | ✓   | ✓   |
| Germany<br>Switzerland<br>Austria   | ✓   |   |
| Others  | ✓   |   |
| <ul style="list-style-type: none"> <li>• USA</li> <li>• 5 countries in franchise (Japan, etc.)</li> </ul> |   |   |

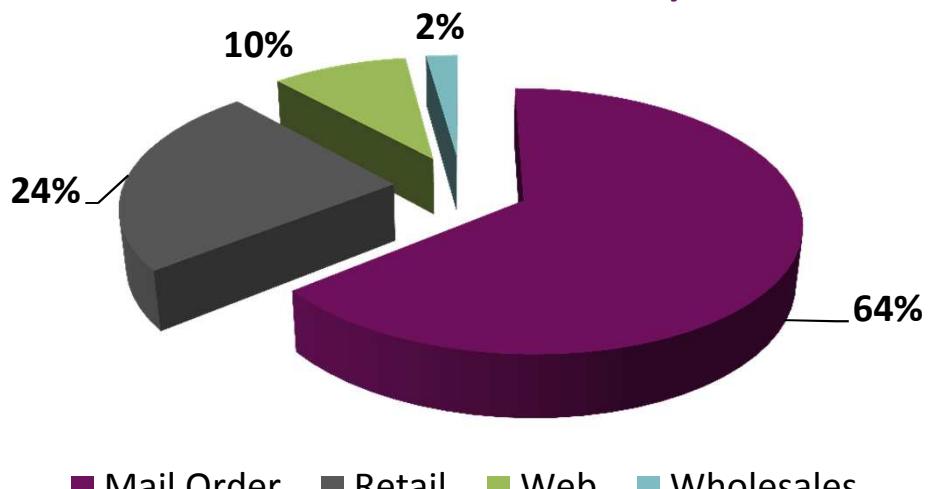
# Leadership on 55+

Sales by channel - 2010/11



■ Mail Order ■ Retail ■ Web ■ Wholesales

Sales by channel - 2016/17



■ Mail Order ■ Retail ■ Web ■ Wholesales

## Omni-channel

- 164 own stores
- Presence in more than 500 stores in wholesales
- 13 websites et 1 marketplace
- 150 Million of catalogues released

# Vivadia



## ■ Business description :

- Start-up created in 2008 by M. Jeroundi at Sophia Antipolis, team of 8 people
- Biggest Market Place in France dedicated to Seniors & Carers (segment in strong growth : 4 millions of carers known in France)
- Nearly 30 000 referenced products in 7 specifics sectors (Medical, Physiotherapy, Comfort, Optical, Hearing, Autonomy, Health) structured in hundred of specialty shops
- A strong culture of customer respect and pioneering spirit

## ■ Key figures :

- Turnover of 1 million €, strong dynamic of growth / EBITDA : -0,3M€
- Turnover ambition of 10 M€ in 4 years

## ■ Strategic rational :

- Strengthen Damartex portfolio on Home & Lifestyle segment, especially on home care
- Accelerate our digital transformation through the development of a new distribution channel for the Group

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# Xandres



XANDRES

BELGIUM



## ■ Business description :

- Belgian fashion company created in 1968 and bought by Isabelle Santens in 1985
- Based in Destelbergen (Gand), 150 employees
- Focus on collectionning with a close sourcing, custom work and a small internal clothing workshop
- Premium positioning around three brands : Xandres (core target), X Line (large sizes) et

Hampton Bays (younger)

- Balanced distribution model :
  - 47% in wholesales through 150 multi brand stores
  - 41% in Retail : 16 own stores included 3 flagships
  - 10% in corporate fashion (contracts with Brussels Airlines, Thomas Cook, etc.)
  - 2% in E-Commerce

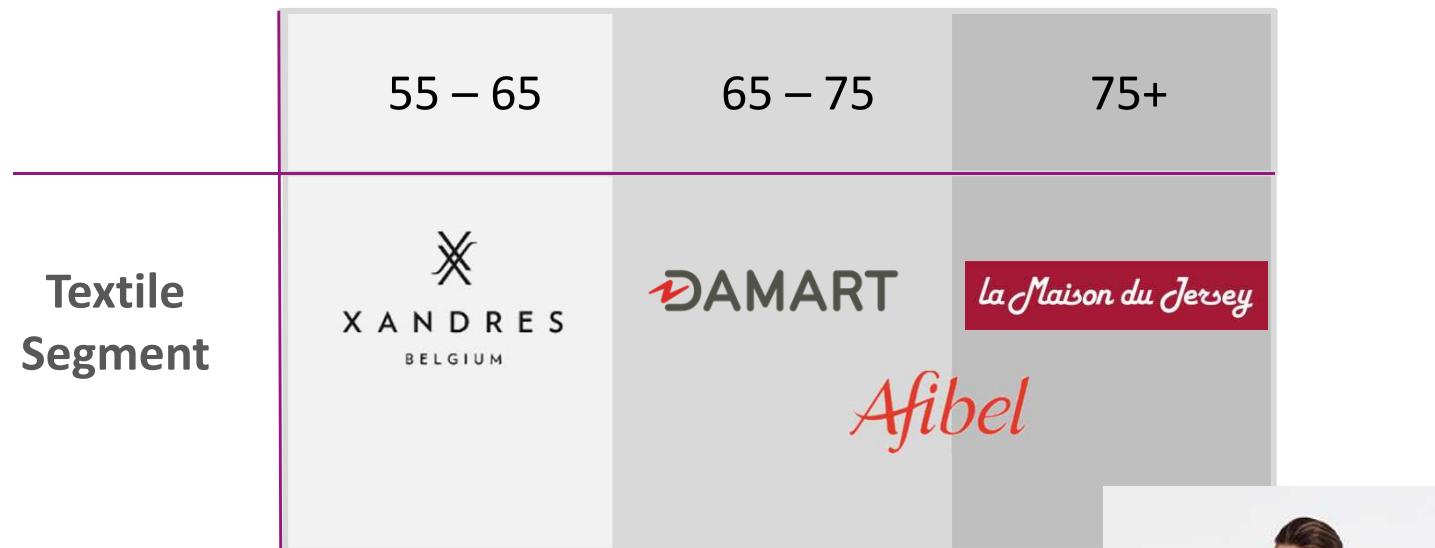
## ■ Key figures (15 months financial year) :

- Turnover 31,1 Millions € / EBITDA : 0,7 M€

# Xandres

## ▪ Strategic rational :

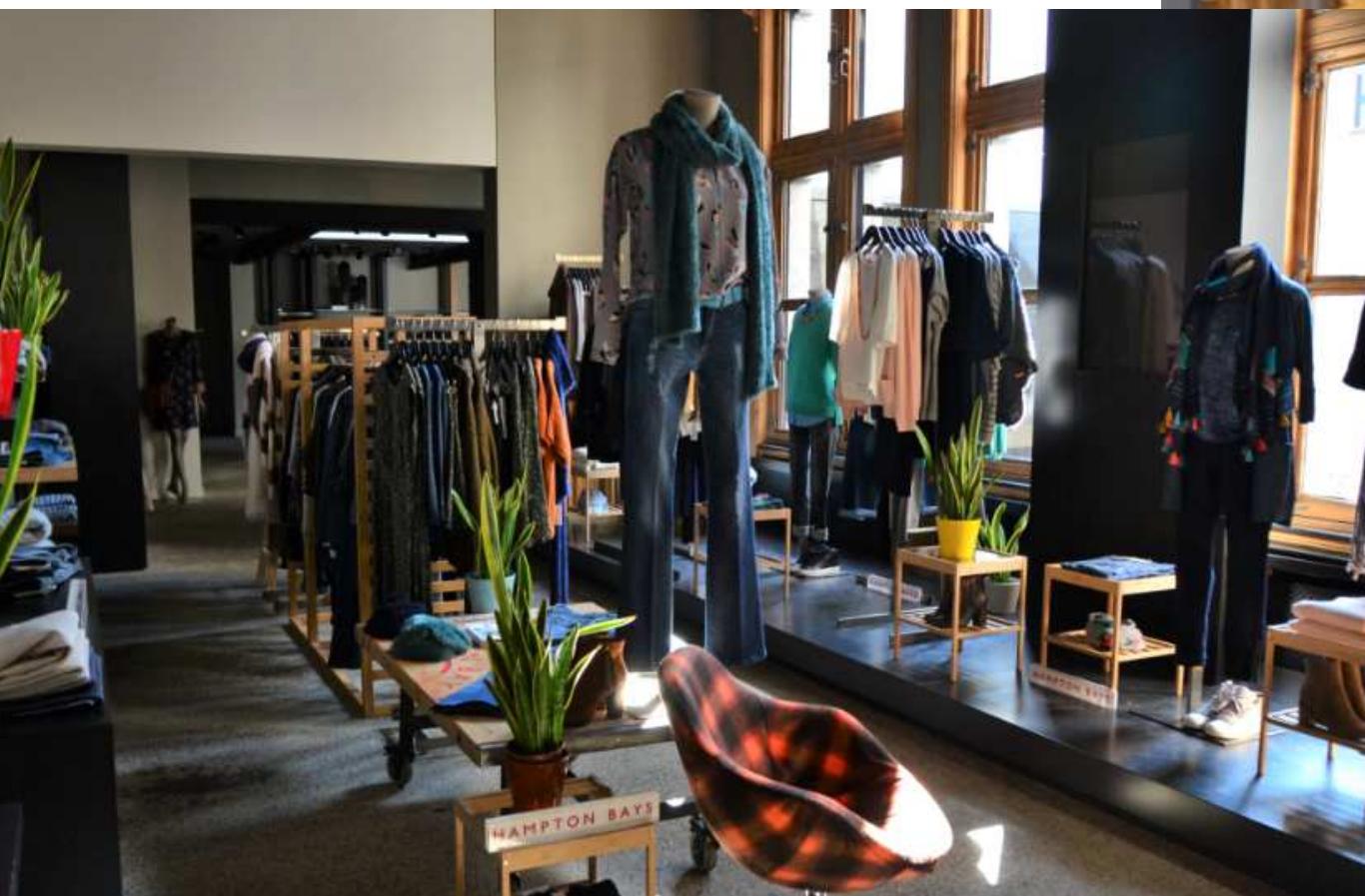
- Balanced Textile portfolio on Senior segment



- Expertise development on Premium positioning
- Interesting acquisition for Damart for expertise on the wholesales distribution channel







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# Prospects

- New brands :  
Integration within the Damartex governance model
  - Vivadia : Growth > profitability
  - Xandres : Profitability > growth
- Maintain of profitable growing in an environment that remains uncertain
- Acceleration of strategic investments



DAMART

Afibel

la Maison du Jersey

XANDRES  
BELGIUM

Coopers  
OF STORTFORD

Delaby

SEDAGYL®  
Le Mieux-Être chez vous

vivadia

Jours Heureux  
Gourmandises de France ★ depuis 1979

DAMART

Afibel

La Maison du Jersey



XANDRES  
BELGIUM

Coopers  
OF STORTFORD

Delaby

SEDAGYL®  
VOUS AIDER A ETRE MIEUX CHEZ VOUS!

vivadia

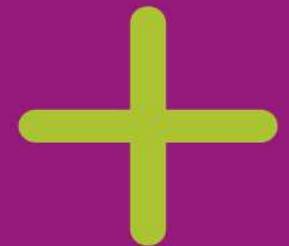
Jours Heureux  
Gourmandises de France ★ depuis 1979

8 september 2016

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YEARLY MEETING – FISCAL YEAR 2015/2016

damartex  
GROUP



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# Turnover by country

(in million euros)

|                       | 30 june<br>2014 | 30 june<br>2015 | % 15/14<br>real rates | 30 june<br>2016 | % 16/15<br>real rates | % Total       |
|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------------|---------------|
| France                | 414,5           | 408,3           | -1,5%                 | 418,3           | + 2,4%                | 58,3%         |
| Great-Britain         | 180,8           | 197,8           | + 9,4%                | 207,9           | + 5,1%                | 29,0%         |
| Belgium               | 72,5            | 73,5            | + 1,4%                | 74,2            | + 1,0%                | 10,3%         |
| Swiss                 | 13,0            | 14,1            | + 8,8%                | 13,9            | -1,6%                 | 1,9%          |
| USA                   | 1,3             | 1,8             | + 34,0%               | 3,0             | + 68,8%               | 0,4%          |
| <b>Damartex Group</b> | <b>682,1</b>    | <b>695,5</b>    | <b>+ 2,0%</b>         | <b>717,3</b>    | <b>+ 3,1%</b>         | <b>100,0%</b> |

30 June 2015 : without Happy D. by Damart classified as discontinued activity at 30 June 2016

# Detailed P&L

(in million euros)

|  | 30 june<br>2014 | 30 june<br>2015<br>publié | 30 june<br>2015<br>proforma | 30 june<br>2015 |
|--|-----------------|---------------------------|-----------------------------|-----------------|
| <b>Turnover</b>                        | 682,1           | 696,7                     | 695,5                       | <b>717,3</b>    |
| Consumed purchases                     | -232,3          | -235,4                    | -234,7                      | <b>-246,9</b>   |
| Staff costs                            | -118,3          | -119,0                    | -118,1                      | <b>-121,0</b>   |
| External charges                       | -306,0          | -312,5                    | -311,4                      | <b>-318,7</b>   |
| Depreciation on assets                 | -11,3           | -11,8                     | -11,6                       | <b>-11,2</b>    |
| Depreciation and release on provisions | -1,0            | -0,4                      | 0,0                         | <b>2,1</b>      |
| <b>Current operating result</b>        | 13,2            | 17,6                      | 19,7                        | <b>21,6</b>     |
| Other operating result                 | -5,3            | -2,0                      | 0,6                         | <b>-1,0</b>     |
| <b>Operating result</b>                | 7,9             | 15,6                      | 20,3                        | <b>20,6</b>     |
| Financial result                       | -0,1            | -1,2                      | -1,2                        | <b>-0,2</b>     |
| Result before tax                      | 7,8             | 14,4                      | 19,1                        | <b>20,4</b>     |
| Tax                                    | -1,0            | -1,7                      | -1,7                        | <b>-1,1</b>     |
| <b>Result of continued operations</b>  | 6,8             | 12,7                      | 17,4                        | <b>19,3</b>     |
| Result of discontinued operations      | 0,0             | 0,0                       | -4,7                        | <b>-2,4</b>     |
| <b>Net result</b>                      | 6,8             | 12,7                      | 12,7                        | <b>16,9</b>     |

30 june 2015 : without Happy D. by Damart classified as discontinued activity at 30 june 2016

# Detailed balance sheet

(in million euros)

|  | 30 june<br>2014 | 30 june<br>2015 | 30 june<br>2016 |
|--|-----------------|-----------------|-----------------|
| <b>Shareholder's Equity</b>                | 169,6           | 182,1           | 187,4           |
| Long term debt                             | 4,3             | 6,3             | 7,6             |
| Other non current liabilities              | 20,7            | 21,2            | 22,4            |
| <b>Non current liabilities</b>             | 25,0            | 27,5            | 30,0            |
| Goodwill                                   | 18,7            | 19,9            | 20,6            |
| Intangible assets                          | 72,2            | 75,1            | 71,0            |
| Tangible assets                            | 67,5            | 71,7            | 73,0            |
| Other non current assets                   | 1,8             | 1,5             | 1,7             |
| <b>Non current assets</b>                  | 160,1           | 168,2           | 166,3           |
| Stocks                                     | 104,8           | 111,1           | 106,9           |
| Receivables                                | 31,4            | 29,5            | 31,3            |
| Payables                                   | 63,0            | 66,9            | 64,9            |
| Other current debts                        | 33,9            | 32,5            | 24,9            |
| <b>Net need in working capital</b>         | 39,3            | 41,2            | 48,4            |
| Net derivatives instruments                | -0,1            | 1,3             | 6,1             |
| Other financial debts                      | 1,8             | 0,8             | 0,8             |
| Net liabilities on discontinued operations |                 |                 | 0,2             |
| <b>Treasury</b>                            | -2,9            | -0,2            | -2,4            |
| <b>Total balance sheet</b>                 | 363,2           | 391,5           | 393,0           |

# Stock exchange trend

