

Turnover of the first nine months of the 2019/2020 financial year

First Impacts Related to Covid-19

CONSOLIDATED DATA (in million Euros)	2018/19	2019/20	Variance (actual rates)	Variance (at constant exchange rates)
1 st quarter	153.7	153.2	-0.3%	-0.2%
2 nd quarter	231.1	232.8	+0.7%	+0.2%
3 rd quarter	180.2	162.1	-10.0%	-10.3%
First nine months	565.1	548.1	-3.0%	-3.2%

Damartex's activity slowed down considerably in the third quarter due to the spread of Covid-19 and government measures deployed in Europe to fight the epidemic.

In this particular context, sales declined by -10% at actual exchange rates (-10.3% at constant exchange rates) in the third quarter with a sharp slowdown in March of -26.9% at actual exchange rates (-26.4% at constant exchange rates) due in particular to the closing of 170 stores. In addition, the mail-order business of certain brands was impacted by the disturbance in the activity of the Group's postal partners.

For the first nine months of the financial year, Damartex recorded a decline in sales of € 548.1 million, down -3.0% at actual exchange rates (-3.2% at constant exchange rates).

Sales for the **Fashion** division came to € 412.9 million for the first half, down by -4.6% at actual exchange rates (-4.9% at constant exchange rates). In the third quarter, sales shrunk by -14.3% at actual rates (-14.6% at constant exchange rates).

Over the quarter, business for the Damart and Afibel brands was down -15.5% and -11.3% respectively (at constant exchange rates), being directly impacted by the current health crisis affecting the consumption behaviours of seniors.



The "**Home & Lifestyle**" division proved more resilient in the face of the crisis, with sales of € 118.4 million, up +0.9% at actual exchange rates (+0.6% at constant exchange rates) over the first nine months. Sales for the second quarter amounted to € 39.0 million, showing a slight decline of -0.3% at actual exchange rates (-0.6% at constant exchange rates).

The near-stability of business over the quarter is due to the good performance of Coopers of Stortford, +21.6% (at constant exchange rates). Sales at 3Pagen were down -5.3% (at constant exchange rates).

The new "**Healthcare**" division, which includes the Sedagyl and Santéol brands, posted sales of € 16.8 million, up +14.0% at actual exchange rates (+13.8% at constant exchange rates). For the quarter, sales rose by +31.9% at actual exchange rates (+31.6% at constant exchange rates) to € 6.4 million. This momentum is notably driven by the effective integration of Santéol, a recently acquired entity, since 1 January 2020.

Crisis Management

The Group rapidly deployed a business continuity plan with the priority objective of guaranteeing the safety of its employees while taking measures to limit the economic impact of this crisis.

This plan is based on several measures:

- In order to preserve jobs, in the face of the drop in business, the Group has resorted to short-time working for about 40% of its staff, particularly in connection with the closing of the stores.
- Teams whose positions permitted it switched to working from home.
- Logistics sites have operated in small teams with reinforced health & safety measures to meet e-commerce and catalogue demand, while preserving employee safety.
- The implementation of strict cost control and postponement of nonessential investments in order to secure cash flow and weather the crisis.

Uncertainties Related to the Impact of Covid-19

In view of the sharp slowdown in its activity, Damartex anticipates heavy losses for the financial year.

To date, given the Group's financial structure, the deferral of certain expenses and the confirmed credit lines (€ 120 million), the Group believes that it is in a position to deal with the consequences of this sudden business shutdown. At the end of March, net financial debt deteriorated to € -81.4 million. The teams are therefore mobilized to manage cash and adapt to this low and uncertain level of activity.

PROFILE

The Damartex Group, one of the leading European retailers for seniors, aims to become the European leader in the silver economy. It includes three divisions:

- "Fashion" - Damart, Afibel, La Maison du Jersey, Xandres
 - "Home & Lifestyle" - 3Pagen, Vitrine Magique, Coopers of Stortford, Jours Heureux, Delaby
 - "Healthcare" - Sedagyl, Santéol
- The Group is mainly operating in France, the UK, Belgium and Germany.

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KEY DATES

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DAMARTEX

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