

## Results for the 2019-2020 Financial Year

### Significant Impact of the Health Crisis on Earnings Acceleration of Transformation Strengthening of the Financial Structure

CONSOLIDATED DATA AT THE END OF JUNE (in million Euros)	2018/19 published	2019/20 published	Variance
Turnover	720.0	686.2	-4.7%
Operating EBITDA	13.9	3.5	-74.8%
EBITDA (including IFRS16) (1)		18.7	
Current operating result	1.2	(25.5)	
Non-current operating items	(4.2)	(12.6)	
Assets impairment	(27.4)	(19.8)	
Financial result	(1.0)	(3.1)	
Corporate income tax	(1.9)	1.6	
Net result from continuing operations	(33.4)	(59.4)	
Net result from discontinued operations	(1.4)	(0.0)	
Net result	(34.8)	(59.4)	-
Capex	17.2	12.6	
Net financial debt	-28.2	-43.8	

(1) EBOTDA before Right of Use amortization, further to IFRS16 1<sup>st</sup> application in 2019/2020.

### ACTIVITY

The Damartex Group closes the 2019/2020 financial year with a turnover of €686.2 million, down -4.7% at actual exchange rates compared with the previous financial year. The health crisis thus had a particular impact on the Fashion division sales in the second half of the year, notably due to the closure of the Group's stores.



#### REGISTERED HEADQUARTER

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[www.damartex.com](http://www.damartex.com)

Limited liability company with a Management Board and a Supervisory Board  
Capital: € 36,820,000  
RCS Lille Métropole 441 378 312 – VAT No.: FR 73 441 378 312

The "**Fashion**" division thus recorded sales of €500.0 million, down -8.8% at actual exchange rates, while the "**Home & Lifestyle**" business grew by +7.7% at actual exchange rates to €164.1 million, thanks in particular to a particularly dynamic second half of the year. The newly created "**Healthcare**" division, which includes the Sédagyl and Santéól brands, grew over the financial year by +13.5% at actual exchange rates for sales of €22.1 million.

## RESULTS

In the exceptional context of the health crisis, **the Group's operating EBITDA was €3.5 Mn**, i.e. 0.5% of sales, down **-74.8%**.

Operating EBITDA for the "**Fashion**" business was strongly impacted by the closure of stores and amounted to €-7.1 Mn. The "**Home & Lifestyle**" division posted an operating EBITDA of €+9.6 Mn, while the "**Healthcare**" division posted an operating EBITDA of €+1.0 Mn.

**Current operating result (so-called ROC) was negative at €-25.5 Mn** over the financial year due to the Fashion division's underperformance (ROC at €-32.2 Mn).

While the first half of the year posted positive current operating result, the Group was severely affected by the health crisis in the second half of the year. While the product margin remained stable, the sharp drop in activity between March and May 2020 (€-39.5 Mn) negatively impacted profitability and led to a carry-over of inventories to the next financial year. The Group anticipates a depreciation of the value of these inventories of €-12.4 Mn. In addition, the adaptation of operations, to limit the loss of business as much as possible while guaranteeing the safety of employees and the continuity of services to customers, has led to an increase in distribution costs. Nevertheless, the sharp drop in marketing expenses (€-12.2 Mn), due to the Group's optimization work prior to Covid-19 and to a strong reactivity to limit expenses, has helped, to a certain extent, offset the impact of the crisis.

The Damartex group thus **closes the financial year with a loss of €-59.4 Mn**, significantly impacted by the exceptional events related to Covid-19. Among the measures affecting net income, the Group decided to depreciate € 19.8 Mn of assets at Afibel and Damart. In addition, non-current operating items were recorded for €-12.6 Mn, mainly due to the effects of the organizational changes planned.



## FINANCIAL POSITION

At the end of June 2020, the **Group's net financial debt stood at €-43.8 Mn**, compared with €-28.2 Mn at the end of June 2019.

In an exceptional environment and despite the acquisition of Santéol at the end of December 2019, the very good performance of the financial debt is to be noted. The Group continued its efforts to control net working capital, which amounted to €+5.9 Mn at the closing of the financial year, a significant improvement on last year (€+38.3 million as of 30 June 2019). In addition, the recovery in activity in June 2020 was better than expected.

The agility shown by the Group to adapt during the crisis will help maintain solid fundamentals and address the future.

## DIVIDENDS

Given the heavy impact of the health crisis and the transformation plan, the Management Board will not propose a dividend distribution at the Annual General Assembly scheduled for 18 November 2020.

## OUTLOOK

Given the uncertainties related to the evolution of the health crisis, the Group remains cautious about its short-term outlook. Nevertheless, the *Transform to Accelerate 2.0* plan and the strengthening of the Group's financial structure (in particular via the agreement of the banking partners for the renegotiation of covenants and the obtaining of a State-Guaranteed Loan in the amount of €80 Mn), help envisage a possible second wave more serenely.

Finally, the Group confirms its ambition to carry out a capital increase with preferential subscription rights for shareholders of approximately €30 Mn by the end of the year, subject to market conditions. This amount would help finance the Group's development.

*Please note: the Management Board approved the financial statements on 31 July 2020. Audit procedures on the consolidated financial statements have been performed. The certification report is in the process of being issued.*

## 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; and
- "Healthcare" - Sedagyl and Santéol.

The Group mainly operates in Europe, including in France, Great Britain, Belgium and Germany.

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## KEY DATES

- Financial Information Meeting  
- 2019/2020 yearly results:  
17 September 2020



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