

55+

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# FINANCIAL INFORMATION



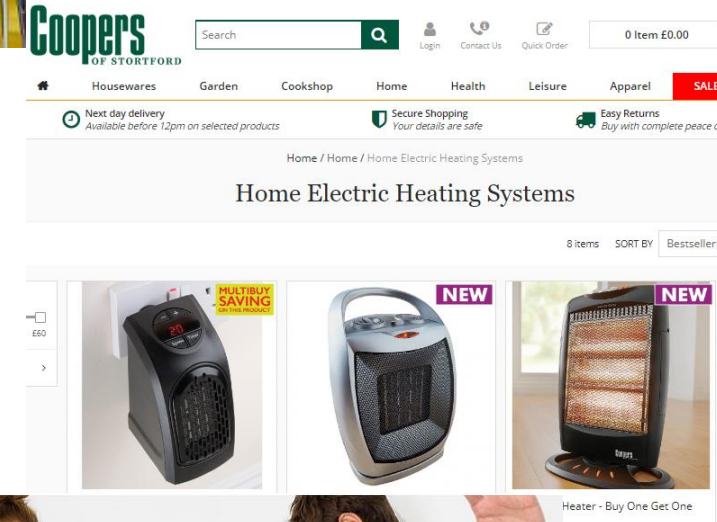
Half year meeting  
Exercice 2018/2019



# Executive summary

## Significant drop in results in a very degraded environment

- Activity very disturbed by an anxiety environment for seniors ('gilets jaunes' movement/Brexit)
- Operating losses following a sharp drop in textile activity
- Resilience of Home & Lifestyle sector
- Maintain strategic investments at a high level of 18M€, in the context of significant savings plan of -10M€ for the Group over the financial year
- Good management of need in working capital and strengthening of the financial structure





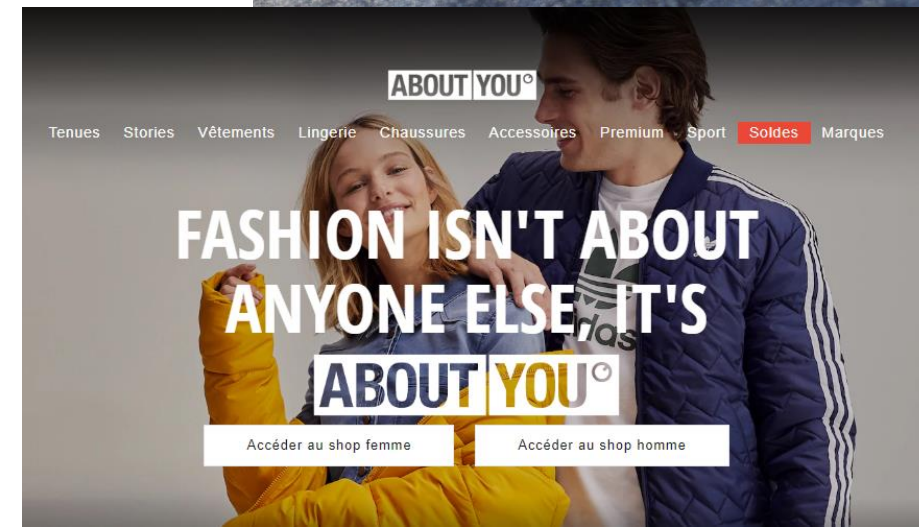
# Environment

## ■ Market

- Weather not conducive of new collection launching
- High uncertainty about Brexit implementation
- Gilets jaune movement in France from november :
  - Closing of many stores
  - Over media coverage on purchasing power and tax
- Accelerated promotionnal trend, Black Friday, private sales, ...
- De-consumption : towards a new paradigm ?

## ■ Competition

- Amazon continues to take market share in Europe
- Developpment of marketplaces with new comings



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# Half year key figures

(in millions euros)

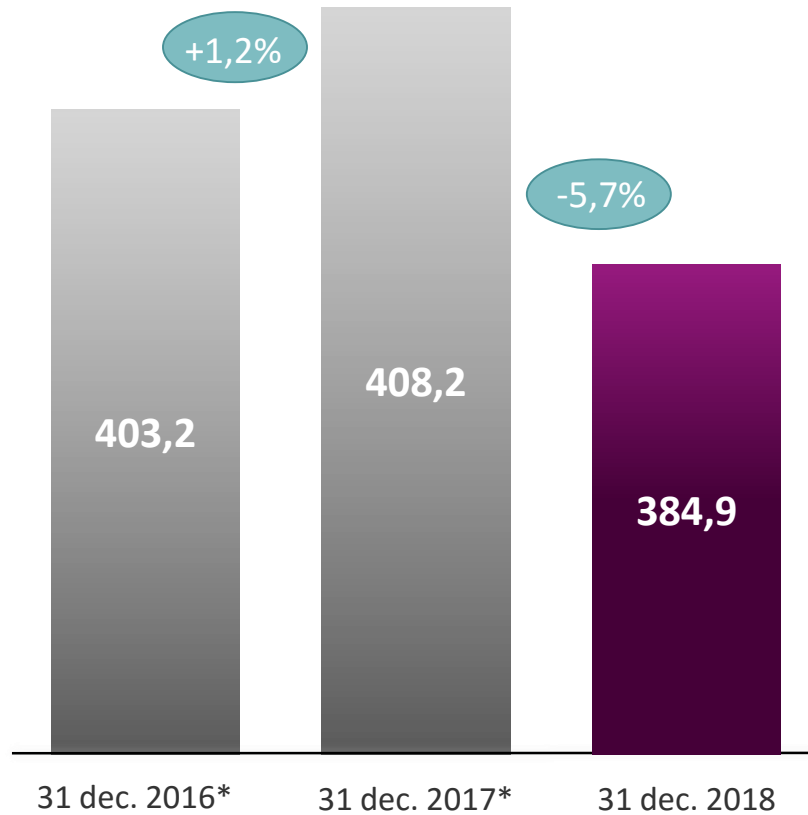
	31 Dec. 2016*	31 Dec. 2017*	31 Dec. 2018
Turnover	403,2	408,2	384,9
EBITDA	23,9	21,5	6,5
%TO	5,9%	5,3%	1,7%
Current operating result	16,7	13,4	-1,9
%TO	4,1%	3,3%	-0,5%
Net result	12,9	11,9	-3,8
CAPEX	9,8	7,9	8,3
Acquisitions (net of cash acquired)	-26,7	0,0	0,0
Net financial surplus	32,7	32,7	36,2

*\* Restated following the cessation of Vivadia activity*



# Half year turnover

(in millions euros)



	% 17/18 Real rates	% 17/18 Constant rates
First quarter	-8,1%	-8,2%
Second quarter	-4,1%	-4,1%
2018 vs 2017 Evolution	-5,7%	-5,8%

## Sales evolution

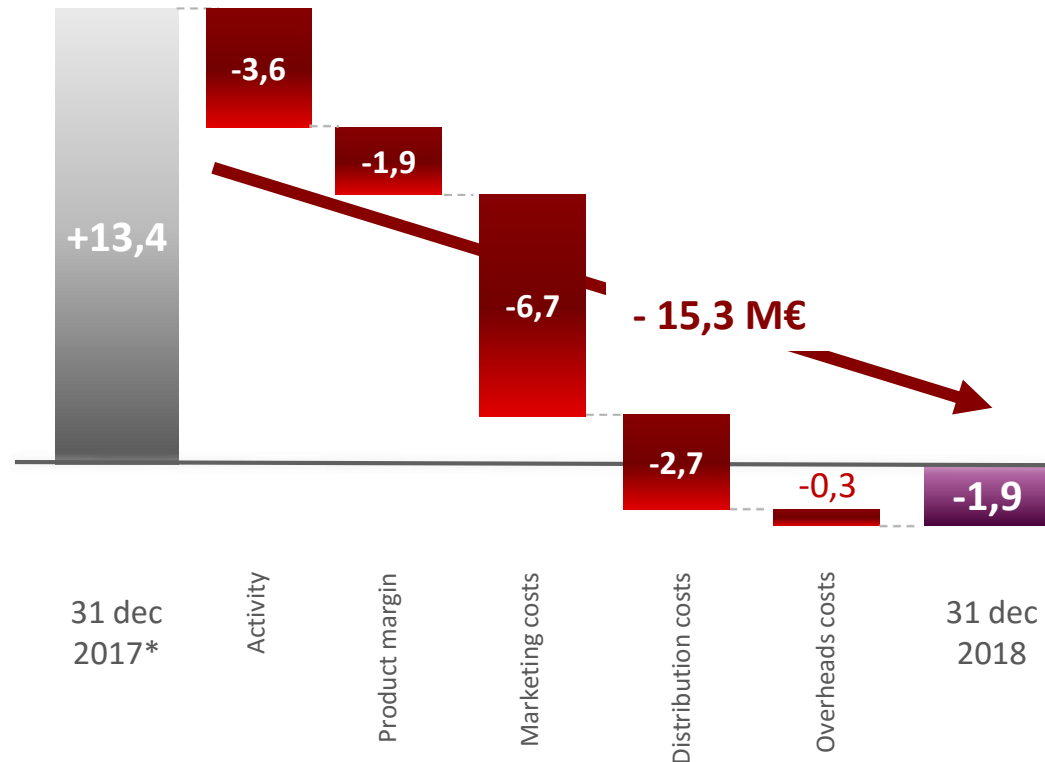
- Constant perimeter and rate : -23,7 M€
- Exchange impact : +0,3M€

\* Restated following the cessation of Vivadia activity



# Half year current operating result

(in millions euros)



- Sudden drop of the textile activity
- Good resistance of product margin despite pressure on prices
- Inefficient marketing costs : a proactive commercial investment in a degraded environment
- Difficulty in making operation more flexible in a high volatility context
- Stability of overheads costs

\* Restated following the cessation of Vivadia activity



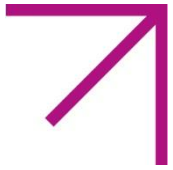
# Half year results

(in millions euros)

	31 Dec. 2016*	31 Dec. 2017*	31 Dec. 2018
<b>Current operating result</b>	16,7	13,0	-1,9
Other operating result	-1,9	0,5	0,6
<b>Operating result</b>	14,8	13,5	-1,3
Financial result	-0,7	0,0	0,1
<b>Result before tax</b>	14,1	13,5	-1,2
Tax	-0,8	-1,6	-1,3
<b>Result of continued operations</b>	13,3	11,9	-2,5
Result of discontinued operations	-0,4	-0,3	-1,3
<b>Net result</b>	12,9	11,9	-3,8

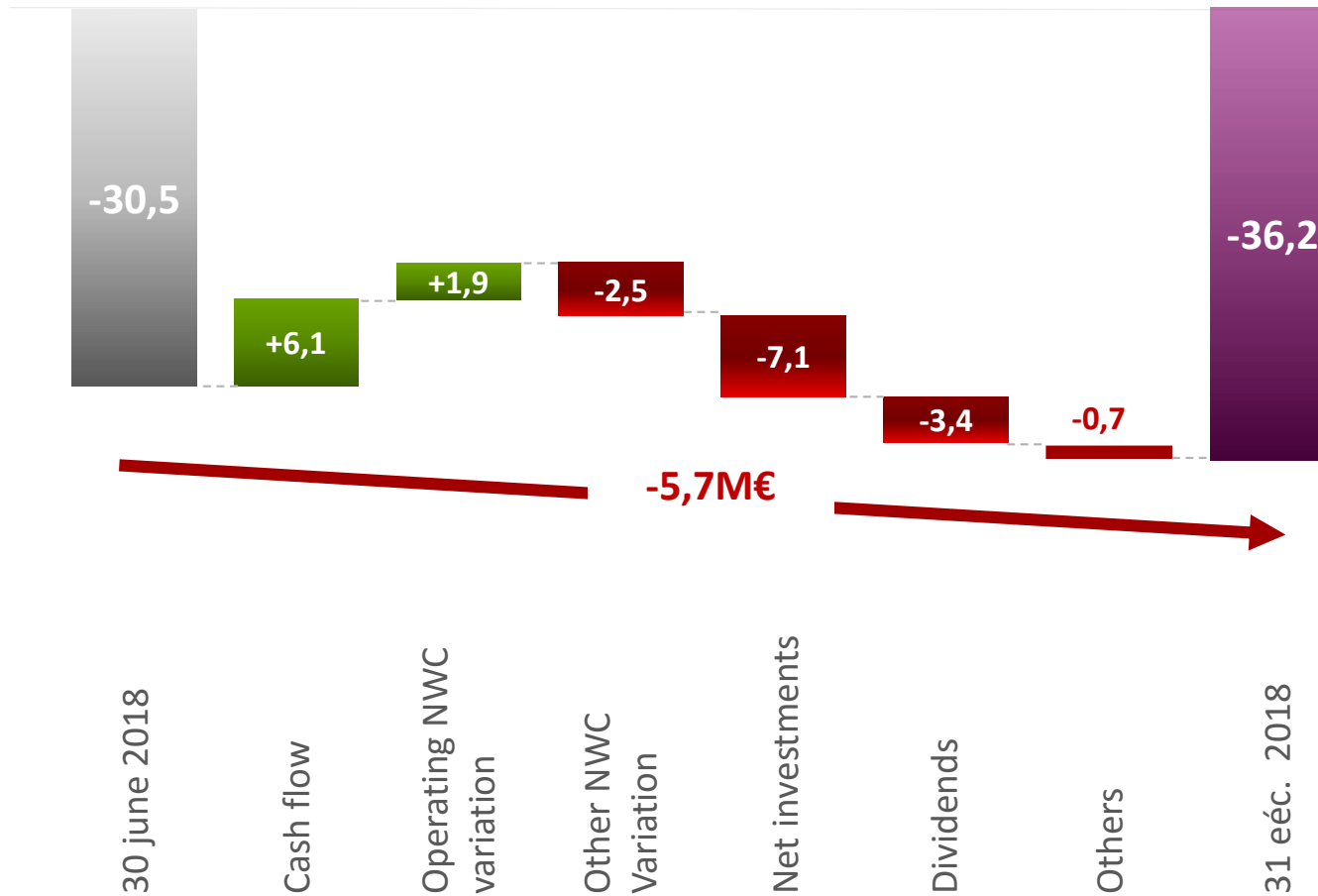
*\* Restated following the cessation of Vivadia activity*





# Net financial debt

(in millions euros)



- Stability of net financial debt
- Improvement of operating NWC despite decrease of EBITDA and volatility of activity
- Maintain of strategic investments :
  - IT : 3,2M€
  - Stores : 2,6M€
  - Building & logistics : 2,4M€



# Balance sheet

(in millions euros)

	31 dec. 2017	30 june 2018	31 dec. 2018
Goodwill	24,2	22,0	21,9
Intangible assets	97,2	99,7	100,4
Tangible assets	83,8	84,1	83,8
Other non current assets	2,0	2,0	1,6
<b>Non current assets</b>	<b>207,2</b>	<b>207,8</b>	<b>207,7</b>
Inventories	124,1	121,7	119,6
Receivables	34,0	28,4	32,7
Payables	-74,4	-71,5	-77,2
Other payables	-21,4	-24,6	-23,4
<b>Net need in working capital</b>	<b>62,4</b>	<b>54,0</b>	<b>51,8</b>
<b>Net equity</b>	<b>198,6</b>	<b>200,4</b>	<b>192,6</b>
<b>Net financial debt</b>	<b>32,7</b>	<b>30,5</b>	<b>36,2</b>
Guearing ratio	16,5%	15,2%	18,8%

- Stock decreasing despite sudden drop of activity
- Strong financial structure with a guearing ratio of 18,8%
- Credit line renewal of 120 M€ with maturities of 5 and 7 years

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# Evolution turnover by sector

(in millions euros)

	31 Dec. 2016*	31 Dec. 2017*	31 Dec. 2018	% 17/18 Real rates	% 17/18 Constant rates
Textile	330,6	320,7	296,6	-7,5%	-7,6%
Home & Lifestyle	72,6	87,5	88,2	+ 0,8%	+ 0,7%
<b>Damartex Group</b>	403,2	408,2	<b>384,9</b>	-5,7%	-5,8%

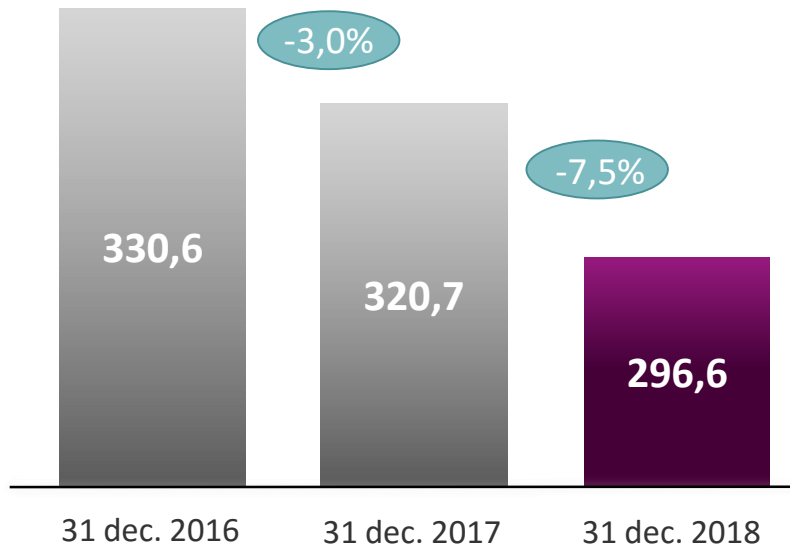
*\* Restated following the cessation of Vivadia activity*



# Evolution Textile sector

(in millions euros)

## Turnover



## Profitability

	31 Dec. 2016	31 Dec. 2017	31 Dec. 2018
Current Operating Result	13,3	12,7	-0,1
% Profitability	+ 4,0%	+ 4,0%	-0,0%

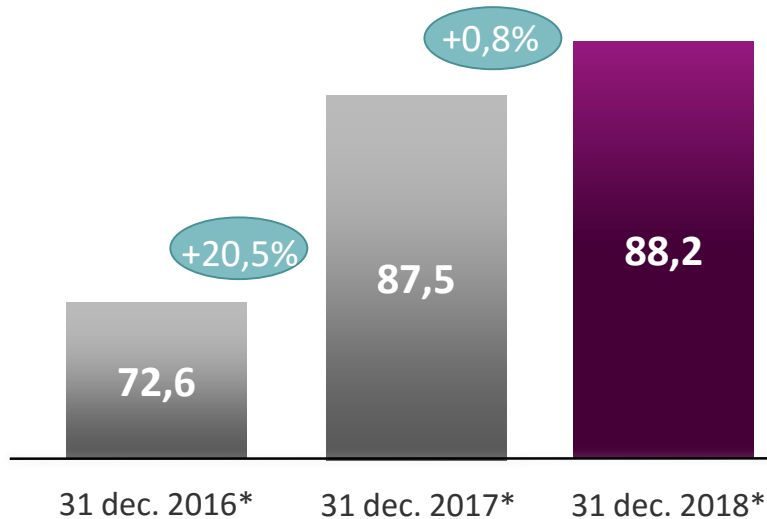
- Evolution of turnover at like for like exchange rates :
  - First quarter: -10,7%
  - Second quarter: -5,4%
- Damart : down to -5,7% impacted by social movement in France and uncertainty related to « Brexit » in UK. Growth in Belgium of +1,5% in a degraded environment
- Afibel : decline of -16,6%, ongoing strategic redesign of business model to reverse the trend
- Positive dynamic of Xandres on every distribution channels
- Continuation of the stores park modernization :
  - Opening : 2
  - Renovation : 4
  - Closing : 4



# Evolution Home & Lifestyle sector

(in millions euros)

## Turnover



## Profitability

	31 Dec. 2016 *	31 Dec. 2017 *	31 Dec. 2018
Current Operating Result	3,4	0,7	-1,9
% Profitability	+ 4,7%	+ 0,8%	-2,1%

• Restated following cessation of Vivadia activity

NB : negative contribution of 3Pagen of – 2,5M€ on 1st quarter of the 2016/17 year given the seasonality, not included in 31 dec 2016.

- Evolution of turnover at like for like exchange rates :
  - First quarter: +0,8%
  - Second quarter: +0,7%
- Continuous progression of 3Pagen in Germany and Vitrine Magique in France. Transformation on information system in progress
- Coopers confirmed turnaround on half year with +3,0% growth
- Acceleration of Sedagyl in France and in UK, with significant commercial investments
- Stopping Vivadia marketplace

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# Prospects

- Implementation of saving costs plan to preserve profitability
- Redesigning of Afibel business model
- Maintaining of strategic investments

## *Transform in order to accelerate together*

1. Sustained Investments in IT and supply chain to improve customer experience
2. Businesses Models Flexibilisation
3. Modernization & investments in brand management to reinforce differentiation





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# Detailed P&L

(in millions euros)

	31 Dec. 2016*	31 Dec. 2017*	31 Dec. 2018
<b>Turnover</b>	403,2	408,2	<b>384,9</b>
Consumed purchases	-138,6	-140,7	<b>-135,8</b>
Staff costs	-66,6	-68,3	<b>-66,2</b>
External charges	-174,3	-177,9	<b>-176,5</b>
Depreciation on assets	-6,0	-6,4	<b>-7,0</b>
Depreciation and release on provisions	-1,1	-1,5	<b>-1,3</b>
<b>Current operating result</b>	16,7	13,4	<b>-1,9</b>
Other operating result	-1,9	0,5	<b>0,6</b>
<b>Operating result</b>	14,8	13,8	<b>-1,3</b>
Financial result	-0,7	0,0	<b>0,1</b>
Result before tax	14,1	13,8	<b>-1,2</b>
Tax	-0,9	-1,6	<b>-1,3</b>
<b>Result of continued operations</b>	13,2	12,3	<b>-2,5</b>
Result of discontinued operations	-0,4	-0,3	<b>-1,3</b>
<b>Net result</b>	12,9	11,9	<b>-3,8</b>

\* Restated following the cessation of Vivadia activity



# Detailed balance sheet

(in millions euros)

	31 Dec. 2017	30 june 2018	31 Dec. 2018
<b>Shareholder's Equity</b>	198,6	200,4	192,6
Long term debt	2,0	3,4	3,2
Other non current liabilities	32,3	34,7	35,7
<b>Non current liabilities</b>	34,2	38,1	38,9
Goodwill	24,2	22,0	21,9
Intangible assets	97,2	99,7	100,4
Tangible assets	83,8	84,1	83,8
Other non current assets	2,0	2,0	1,6
<b>Non current assets</b>	207,2	207,8	207,8
Stocks	124,2	121,7	119,6
Receivables	34,0	28,4	32,7
Payables	74,4	71,5	77,2
Other current debts	21,4	24,6	23,4
<b>Net need in working capital</b>	62,4	54,0	51,8
Net derivatives instruments	-5,9	3,8	5,0
Other financial debts	1,5	0,7	0,5
Net liabilities linked to discontinued operations	0,0	0,0	0,0
<b>Treasury</b>	-29,2	-26,4	-32,5
<b>Total balance sheet</b>	451,7	454,3	439,1

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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**