

# Damartex Reaches Agreement With Its Banking Partners and Reference Shareholder

## Restructuring Existing Debt and Securing New Financing

Damartex announces the signature on 19 July 2023 of an agreement with its legacy banking partners and its reference shareholder on the restructuring of its current financial debt and the securing of new financing.

Against a difficult macroeconomic backdrop of war in Ukraine, inflationary pressure and the energy crisis, the Group posted consolidated sales of € 650.4 Mn in the 2022/2023 financial year, down -9.5% at actual exchange rates on the previous year<sup>1</sup>. The slowdown in business was felt in every quarter of the year.

Anticipating a cash crunch in the first quarter of the 2023/2024 financial year, Damartex has stepped up the measures already implemented to reduce costs and optimize its cash position, including by increasing the use of cash pooling.

At the same time, the Group proactively engaged in discussions with its banking partners and reference shareholder as part of a conciliation procedure<sup>2</sup> to secure existing financing and negotiate the terms of new financing, which resulted in a conciliation protocol, the main terms of which are set out in the appendix.

**Patrick Seghin, Chairman of the Management Board, said:** *"I would like to thank Damartex's legacy banking partners and the Desparture family group, our reference shareholder, for their confidence and support in restructuring our financial debt and securing new financing. This will enable us to deal with the current situation and give the Group the visibility it needs to implement its new strategy, which we will present on 6 September 2023."*

<sup>1</sup> See the press release dated 20 July 2023, available online at [www.damartex.com](http://www.damartex.com), relating to consolidated sales for the 2022/2023 financial year.

<sup>2</sup> Proceedings opened by the President of the Commercial Court of Lille Métropole in favour of the Company, of Damart SAS and of D.S.B. SARL on 25 April 2023.



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

### DAMARTEX

*Société anonyme* (public limited company) with a Management Board and Supervisory Board

Capital: €57,991,500 - ISIN: FR0000185423 DAR

RCS Lille Métropole 441 378 312 - VAT No: FR 73 441 378 312



## Outlook

As part of the conciliation process currently underway, the Company has appointed a financial expert to carry out an independent review of its business plan. As a result of this work, which is by its nature exceptional given the context, the Company is publishing below the estimated results for the financial year ending 30 June 2023 and the forecasts for the current financial year for certain financial aggregates considered relevant for investors. These indicators are provided solely for the purposes of transparency and equivalence of information and therefore should not and cannot be assimilated to profit forecasts within the meaning of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, nor do they constitute Group guidance.

Taking into account a cautious view of economic conditions, ongoing efforts to reduce costs and manage cash, and the implementation of its new strategic plan, the Company :

- for the financial year ending 30 June 2023, estimates its consolidated EBITDA at between €0 Mn and €-1 Mn and a cash position of around €-75 Mn. In accordance with the published financial calendar, the annual results will be published on 5 September 2023 after the close of trading.
- for the financial year beginning 1 July 2023, forecasts consolidated sales of around €655 Mn, consolidated EBITDA of around €17 Mn and operating cash flow generation (before financing and investments/divestments) of around €19 Mn.

## Warnings

The above-mentioned forecasts are based on data, assumptions and estimates considered reasonable by the Group at the date they were drawn up. These data, assumptions and estimates may change or be modified as a result of uncertainties linked in particular to the economic or financial environment.

The occurrence in particular of one or more of the risks described in the 2022/2023 Annual Report could have an impact on the Group's business, financial situation, results or prospects. The Group therefore gives no undertaking or guarantee that the data presented herein will materialize.

## PROFILE

The Damartex Group, one of Europe's leading retailers for seniors, aims to become the European leader in the silver economy. It boasts 3 divisions:

- Fashion: Damart, Afibel, Xandres
- Home & Lifestyle: 3 Pagen, Vitrine Magique, Coopers of Stortford
- Healthcare: Sédagyl, Santéol, MSanté, Medical Santé

The Group operates mainly in Europe, notably in France, the UK, Belgium and Germany.

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

## CONTACTS

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## KEY DATES

- Annual results :  
5 September 2023
- Annual financial information meeting: 6 September 2023
- 1<sup>st</sup> quarter Sales 2023/2024:  
19 October 2023



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## Appendix

The main terms of the protocol are as follows:

- the provision to Damartex by its partner banks of state-guaranteed so-called "Resilience" loans totalling €35 million in principal, with a 12-month grace period on principal and interest and an option for Damartex to opt for a further 12-month grace period on principal;
- the refinancing of the existing RCF lines<sup>3</sup> by a new syndicated revolving credit facility made available to Damartex by its four banks, for a total principal amount of €120 million, unsecured, maturing in 24 months, with an option to extend for a further 6 months subject to the Group meeting certain thresholds;
- the provision to Damartex by the Despature family group, its reference shareholder<sup>4</sup>, of a shareholder loan totalling €8.5 million in principal, of which :
  - (i) €3.5 million in principal will be repaid on the business day following the maturity date of the new syndicated revolving credit facility, subject to its full and effective repayment; and
  - (ii) two instalments of €2.5 Mn each in principal (i.e. €5 Mn in total) will be repaid on the business day following the final maturity date of the "Résilience" state-guaranteed loans, subject to their full and effective repayment, one of the instalments being repayable on the business day following each principal repayment date of the "Résilience" state-guaranteed loans, the other instalment being repayable *in fine*;
- the continuation of the overdrafts granted to Damartex by two banks, for a total principal amount of €21 million, for a period of 24 months; and
- confirmation of documentary credits, in the principal amount of €10.5 million, granted by a banking institution, split between Damart SAS and Damartex UK Ltd, for a period of 24 months.

Under the terms of the documentation relating to the new syndicated revolving credit facility provided for in the protocol, and until full repayment of the sums due under this facility (i.e. July 2025 or January 2026 as the case may be), the Company has undertaken not to (i) propose a dividend distribution to the General Meeting or (ii) repay the principal of the reference shareholder loan.

The entry into force of the protocol remains subject to the finalization of the credit documentation and the judgement of the Lille Métropole Commercial Court approving the protocol in accordance with the provisions of article L. 611-8 II of the French Commercial Code, which are expected to occur by the end of July 2023.

<sup>3</sup> Refers to the RCF (*Revolving Credit Facilities*) credit lines totalling €120 Mn with four French banks, which were fully drawn down on the date the protocol was signed.

<sup>4</sup> Through J.P.J.D. SCA, which held 55.25% of the Company's share capital and 62.51% of its voting rights as of 30 June 2023.



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