

# Van de Velde

30.08.2019 – 07h30

Regulated Information – Interim results 2019

**Van de Velde ends first six months with increased EBITDA\* +2.8% and a slight drop in turnover\* -1.2%**

Key aspects of the results for the first six months of 2019:

- 1.2% drop in turnover\* to €112.8m, a 1.8% drop at constant exchange rates.
- 2.8% rise in (R)EBITDA to €29.3m, ending at €32.3m after application of IFRS 16.
- Investments totalling €3.0m.
- €9.6m rise in net cash generation in the first half of 2019, compared with the same period last year.
- €13.8m net profit for the period (excluded IFRS16).

**TURNOVER (ON COMPARABLE BASIS): €112.8M – 1.2% DROP – 1.8% DROP AT CONSTANT EXCHANGE RATES**

In the first half of 2019, consolidated turnover at Van de Velde fell by 2.2% (from €110.9m to €108.5m) compared with the year before.

On a comparable basis (including comparable season deliveries), the consolidated turnover in the first six months of 2019 dropped by 1.2% (from €114.2m to €112.8m). At constant exchange rates, turnover dropped 1.8% on a comparable basis. This drop in turnover consists of the following components:

- Comparable wholesale turnover (including comparable season deliveries) remained stable in the first half of 2019.
- Retail turnover in the first half of 2019 dropped by 6.7% compared with 2018 or by 8.8% at constant exchange rates. Turnover in Europe fell by 5.6%, whereas the United States dropped by 9.1%. The retail network remained stable. Retail traffic figures dropped sharply, which was partly offset by a slightly better conversion rate.

\*ON A COMPARABLE BASIS / EXCLUDING IFRS 16

# Van de Velde

## **EBITDA (ON A COMPARABLE BASIS / EXCLUDING IFRS 16): €29.3M – 2.8% RISE**

Reported EBITDA rose in the first half of 2019 by 0.3% compared with the same period last year, from €26.4m to €26.5m. On a comparable basis (including comparable deliveries), the consolidated EBITDA in the first half of 2019 rose by 2.8% compared with the same period in 2018, from €28.5m to €29.3m. The main reasons for this rise are:

- The rise in the contribution of wholesale to EBITDA on a comparable basis. The growth in wholesale is due to a stable turnover and lower costs. The contribution to reported EBITDA rose by €2.1m.
- The contribution of retail to reported EBITDA dropped by €0.6m, primarily due to the reduced turnover.
- General costs were €0.6m higher than in the first half of 2018. Compared to the second half of 2018 the general costs were €5.1m lower.

## **INCOME TAX AND NET PROFIT (EXCLUDING IFRS 16)**

The tax rate is 23.9%, compared with 31.4% in the same period last year. This drop is due to the tax stimuli for innovation, which was received in the second half of 2018.

Group profit in the first half of 2019 was 8.3% lower than last year, €13.8m compared with €15.0m, primarily due to the negative impact of the results based on the equity method (-€0.9m). This resulted in profit per share of 1.03 euro.

## **INVESTMENTS TOTALLING €3.0M**

Van de Velde's capital expenditure in the first half of 2019 was €3.0m, compared with €7.7m in the first half of 2018. These investments primarily relate to the further development of the eCommerce platform and the upgrade of the ERP system. Van de Velde finances these investments with its own funds.

Working capital (current assets excluding cash and cash equivalents less current liabilities excluding financial debts) rose by €52.9m on 30 June 2019 (compared with €47.9m on 31 December 2018), which is the consequence of lower current liabilities and higher trade receivables than at the end of the year.

The solvency (share of equity in total equity) of Van de Velde is very high (83.3%). Current assets are 4.1 times the current liabilities, an indication of strong liquidity.

# Van de Velde

---

## **IMPACT OF IFRS 16**

IFRS 16 became effective 1 January 2019. As a consequence of this new standard, virtually all lease agreements have been recognised on the balance sheet. Assets (the right to use the leased property) and a financial liability to pay rent are recognised under the new standard. The Group applied the amended retroactive approach, which means the comparable figures of 2018 were not adjusted. The Group chooses to apply the exemptions proposed by the standard for lease contracts ending within 12 months of the date of first application and lease contracts whose underlying asset has a low value.

The standard will primarily impact the accounting treatment of the Group's operational lease liabilities. The justified user rights and lease liabilities for the remaining lease term are €23.8m. After amortisation, the user rights and lease liabilities in the first half of the year were €20.9m. A weighted average discounting percentage of 3.4% was used for the measurement of the current value of these lease liabilities.

Due to application of IFRS 16, Group (R)EBITDA will rise by €2.9m, bearing in mind the amortisation of the activated user rights and lease liabilities is beyond the scope of (R)EBITDA.

The Group expects the new rules to have no material impact on net profit after tax in 2019. Otherwise, the application of IFRS 16 will have no impact on Group financing.

## **EVENTS AFTER THE BALANCE SHEET DATE**

After the balance sheet date the decision was taken to end the joint venture with our partner Getz in Asia. This decision will have no impact on future sales. The financial settlement will be finalised in the second half of 2019 and will have no cash implications.

## **PROSPECTS**

"Growth by focusing on retail partners and brands" is how we want to reinforce the foundations of our company in 2019. Van de Velde is all about designing and manufacturing fashionable lingerie of high quality. We bring this to consumers through strong brands and strong retail partners.

It is our conviction that this focus will strengthen the foundations of our company in the long term.

# Van de Velde

## INTERIM FINANCIAL REPORT

The full interim financial report (including regulated information and the report of the statutory auditor) is available through the [following link](#):

A number of key figures are presented below and explained more fully in the financial report:

Financial key figures				
Profit and loss statement (in € m)	30.06.2019 Incl. IFRS16	IFRS 16 impact	30.06.2019 excl. IFRS 16	30.06.2018
Turnover	108.5		108.5	110.9
Turnover on a comparable basis	112.8		112.8	114.2
EBITDA (operating profit plus depreciation)	29.4	2.9	26.5	26.4
EBITDA on a comparable basis	32.3	2.9	29.3	28.5
EBIT or operating profit	22.1		22.1	23.1
Profit before taxes	18.2	-0.4	18.6	22.1
Group profit	13.4	-0.4	13.8	15.0
Balance sheet (in € m)	30.06.2019 Incl. IFRS16	IFRS 16 impact	30.06.2019 excl. IFRS 16	30.06.2018
Fixed assets	94.5	20.9	73.6	73.6
Current assets	89.7		89.7	83.9
<b>Total assets</b>	<b>184.2</b>	<b>20.9</b>	<b>163.3</b>	<b>157.5</b>
Shareholders' equity (including non-controlling interests and subsidies)	136.0	-0.4	136.4	124.2
Non-current liabilities	21.1	16.2	4.9	4.7
Current liabilities	27.1	5.1	22.0	28.6
<b>Total liabilities</b>	<b>184.2</b>	<b>20.9</b>	<b>163.3</b>	<b>157.5</b>
Key figures in € per share	30.06.2019 Incl. IFRS16	IFRS 16 impact	30.06.2019 excl. IFRS 16	30.06.2018
Basic earnings per share	1.01		1.03	1.13

# Van de Velde



## **CONTACTS**

For more information contact:

Van de Velde NV – Lageweg 4 – 9260 Schellebelle – +32 (0) 9 365 21 00  
[www.vandevelde.eu](http://www.vandevelde.eu)

MAVAC BVBA,  
always represented by  
Marleen Vaesen  
Chairman of the Board

Karel Verlinde Comm.V,  
always represented by  
Karel Verlinde  
Chief Financial Officer

## **ABOUT VAN DE VELDE**

Van de Velde is one of the global leaders in lingerie, swimwear and sportswear, with its strong brands PrimaDonna, Marie Jo and Andres Sarda. Our mission is to offer every woman the ultimate fitting room experience. Our long-term strategy is based on building brands around the Lingerie Styling fitting room strategy, which brings together fit, style and fashion. We work with 5000 multi-brand lingerie stores worldwide, both online and offline, with a strong focus on core markets Europe and North America. Our own retail channel is run under the labels Rigby & Peller and Lincherie. These stores are classic examples of Lingerie Styling fitting room service. Van de Velde is listed on Euronext Brussels.