

# Van de Velde

27.02.2019 – 07h30

Regulated information

Van de Velde shapes the future and proposes stable dividend.

- **TURNOVER\* SLIGHTLY NEGATIVE -1.2%**
- **PROFIT FOR THE PERIOD AMOUNTED TO €25.5M**
- **REBITDA\* DECREASED BY 28.2% TO €38.4M**
- **THE BOARD OF DIRECTORS WILL PROPOSE TO THE GENERAL MEETING OF SHAREHOLDERS A STABLE DIVIDEND OF €1.03 PER SHARE.**

\* on comparable basis

## 1. CONSOLIDATED KEY FIGURES (ACCORDING TO IFRS STANDARDS AND AUDITED)

Consolidated key figures	31.12.2018	31.12.2017	% <sup>(3)</sup>
<b>INCOME STATEMENT (IN M€)</b>			
<b>Turnover</b>	<b>205.2</b>	<b>209.0</b>	<b>-1.8%</b>
<b>Turnover on comparable basis <sup>(1)</sup></b>	<b>203.0</b>	<b>205.6</b>	<b>-1.2%</b>
Other operating income	5.0	5.7	-11.8%
Cost of materials	(41.6)	(45.4)	-8.5%
Other expenses	(80.4)	(69.6)	15.5%
Personnel expenses	(51.0)	(44.0)	15.9%
<b>Recurring operating profit before depreciation and amortization ('REBITDA') <sup>(2)</sup></b>	<b>37.2</b>	<b>55.7</b>	<b>-33.1%</b>
<b>EBITDA on comparable <sup>(1)</sup></b>	<b>35.8</b>	<b>53.5</b>	<b>-33.1%</b>
<b>REBITDA on comparable <sup>(4)</sup></b>	<b>38.4</b>	<b>53.5</b>	<b>-28.2%</b>
Depreciation and amortization	(7.0)	(7.7)	-9.2%
EBIT or operating profit	30.2	48.0	-37.0%
Financial result	0.0	(0.2)	
Share of result of associates	(1.1)	(0.3)	
Profit before taxes	29.1	47.5	
Income taxes	(3.6)	(13.6)	
Result of the period attributable to non-controlling interests	(0.0)	(0.1)	
<b>Profit for the period attributable to the owners of the company</b>	<b>25.5</b>	<b>33.9</b>	<b>-24.8%</b>

<b>BALANCE SHEET (IN M€)</b>			
Fixed assets	75.3	69.7	8.0%
Current assets	92.3	89.1	3.6%
<b>Total assets</b>	<b>167.6</b>	<b>158.8</b>	<b>5.5%</b>
Shareholders' equity	133.4	121.8	9.5%
Non-controlling interest	0	0.5	
Grants	0.3	0.2	100.0%
Non-current liabilities	4.8	4.8	-2.3%
Current liabilities	29.1	31.5	-7.6%
<b>Total equity and liabilities</b>	<b>167.6</b>	<b>158.8</b>	<b>5.5%</b>

<b>KEY FIGURES IN € PER SHARE</b>			
EBITDA	2.8	4.2	
Profit for the period attributable to the owners of the company	1.9	2.5	
Dividend per share	1.03	1.03	

<sup>(1)</sup> Turnover and EBITDA on a comparable basis are reported turnover and EBITDA corrected for the effect of early deliveries in order to compare the same seasons.

<sup>(2)</sup> EBITDA equals operating profit plus depreciation and amortization on fixed intangible and tangible assets.

<sup>(3)</sup> Percentages can differ as a result of rounding.

<sup>(4)</sup> REBITDA equals EBITDA after adjusting for non-recurrent expenses. For 2018, these expenses were linked to the eCommerce infrastructure, the restructuring costs of the social selling organization in Germany and the termination fee of the CEO and head of HR.

## **2. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL INFORMATION AT 31 DECEMBER 2018**

The statutory auditor has issued an unqualified opinion on the consolidated financial statements. The accounting figures in this release are consistent with the figures in the consolidated financial statements.

## **3. NOTES TO THE CONSOLIDATED KEY FIGURES**

### **TURNOVER: ANNUAL TURNOVER 2018 IN LINE WITH EXPECTATIONS**

For the fiscal year of 2018 the reported turnover of Van de Velde decreased by 1.8% from €209.0m to €205.2m. At constant exchange rates, this amounts to a decrease of 0.8%.

The turnover development consists of the following components:

- Wholesale: Turnover on comparable basis decreased by 0.6% at constant exchange rates. A decrease in lingerie was largely compensated by growth in our swim collection by the strong start of Marie Jo Swim. Taking the negative exchange rate effect into account on the one hand and the positive effect of higher deliveries of the spring/summer collection, the reported turnover decreased by 1.6%.
- Retail: Turnover on like-for-like store basis at constant exchange rates increased by 2.5%. This is due to growth in Europe (+5.1) and a limited decline in the US (-3.0%). Taking the negative exchange rate effect and the effect of closure of onerous shops into account, reported turnover increased by 0.3%.

### **REBITDA: DECREASE OF COMPARABLE REBITDA BY 28.2%**

On a comparable basis (including comparable deliveries and after adjusting for non-recurring expenses), the consolidated REBITDA decreased by 28.2% from €53.5m to €38.4m.

The pressure on the REBITDA was caused by an increase of expenses. These costs were mainly incurred for our eCommerce infrastructure and the improvement and simplification of our primary IT processes for which a target architecture was defined in 2018.

In addition, we have further invested in the development of employees and recruiting specific talents and expertise.

### **IMPAIRMENT ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE**

In 2018 no impairment charges were recorded.

### **FINANCIAL RESULT INCREASES BY €0.2M.**

The financial result is €0.2m higher than last year as a consequence of positive exchange results.

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## **MINORITY STAKES**

The result based on the equity method decreased by €0.8m. Both Top Form and Private Shop contributed negatively. Moreover, the participation in Noyon SAS, supplier of Van de Velde, was written off for €0.3m.

## **INCOME TAXES AND PROFIT FOR THE PERIOD: DECREASE IN PROFIT TAX BRINGS PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY TO €25.5M**

The continuous commitment to innovation, aimed at unique comfort and fit, resulted in a fiscal stimulus.

This resulted in a reduced effective tax rate of 11.9% compared to 28.6% during the same period last year.

The group profit 2018 amounted to €25.5m compared to €33.9m for 2017.

## **CASH POSITION AND SOLVENCY/LIQUIDITY: SOLID SOLVABILITY AND LIQUIDITY**

The cash position at the end of 2018 was €15.7m (versus m€ 21.8 at the end of 2017). The operational cash flow amounted to €17.5m in 2018 versus €35.0 in 2017. The decrease is mainly due to the group's increased cost structure.

Working capital (current assets excluding cash and cash equivalents minus short-term liabilities excluding financial debts) rose from €36.1m to €47.9m.

The solvency (share of equity in total assets) of the Van de Velde group remains very strong (79.6% at the end of 2018 versus 76.7% in 2017). Current assets amount to 3.2 times the short-term liabilities (versus 2.8 at the end of 2017) which indicates a very strong liquidity.

Furthermore, the group is completely self-financed.

## **4. DIVIDEND**

For the financial year of 2018 the Board of Directors will propose to the General Meeting of Shareholders a dividend of 1.03 (net dividend of €0.72).

After approval by the General Meeting of Shareholders, the final dividend of €1.03 per share (net dividend of €0.72 per share) will be paid out as from 6 May 2019.

There are sufficient remaining sources of finance (including cash position) to make all the investments needed to protect the competitiveness of the company.

## **5. EVENTS AFTER BALANCE SHEET DATE**

After the balance sheet date, no events with a significant impact on the group's financial position occurred.

# Van de Velde

## 6. PROSPECTS FOR 2019

“Growing through focus on retail partners and brands” is the theme by which we want to further strengthen the foundations of our company in 2019. Van de Velde is all about designing and producing fashionable and high-quality lingerie after all. We bring these to the consumer through strong brands and strong retail partners.

It is our conviction that this focus will strengthen the foundation of our company long-term.

## 7. FINANCIAL CALENDAR

22.03.2019 – Annual report 2018  
24.04.2019 – General Meeting of Shareholders  
02.05.2019 – Ex-coupon date  
03.05.2019 – Record date  
06.05.2019 – Payment dividend  
30.08.2019 – Half-year results 2019  
31.12.2019 – Year-end closing 2019



Van de Velde is the powerhouse of world class brands PrimaDonna, Marie Jo and Andres Sarda. Our mission is to deliver the ultimate personalized consumer experience. As a leading player in the luxury and fashionable women's lingerie, swimwear and sportswear sector, Van de Velde bases its long-term strategy on developing and expanding brands upon Lingerie Styling. This proprietary concept combines fit, style and fashion. Our key markets are in Europe and North America and we work closely together with 5,000 on- & offline specialty lingerie stores worldwide. We run our own premium retail chains, under the names Rigby & Peller, Lincherie and Private Shop, in which we exemplify the principles of Lingerie Styling. Van de Velde is listed on Euronext Brussels.

## CONTACTS

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