

# Van de Velde

25.02.2021 – 08u00

Regulated Information – Year Results 2020

Van de Velde realizes a comparable turnover of m€ 160.5 and a comparable EBITDA of m€ 40.1

- Van de Velde realizes a comparable turnover of m€ 160.5, a drop of 18.5%.
- The comparable EBITDA decreases by 17.4% to m€ 40.1 and amounts to 25% of comparable turnover.
- The cash position increases by m€ 8.3 to m€ 49.8.
- Net profit for the period amounts to m€ 14.7.
- A dividend of € 1.00 per share will be proposed to the General Meeting.
- The share buyback programme will continue in 2021.

## 1. CONSOLIDATED KEY FIGURES (PREPARED IN ACCORDANCE WITH IFRS AND AUDITED)

Consolidated key figures	31.12.2020	31.12.2019	%
<b>Income statement (in m€)</b>			
Turnover	152.3	195.5	-22.1%
Other operating income	4.3	4.8	-8.9%
Cost of materials	-30.7	-42.8	-28.3%
Other expenses	-50	-61.1	-18.3%
Personnel expenses	-41.3	-48.7	-15.2%
Recurring operating profit before depreciation and amortization ('EBITDA') <sup>(2)</sup>	34.7	47.6	-27.1%
Depreciation and amortization	-15.2	-14.8	2.7%
EBIT or operating profit	19.6	32.9	-40.5%
Financial result	-0.3	-3.4	-91.4%
Result based on the 'equity' method	-1.3	-1.9	-28.1%
Profit before taxes	17.9	27.6	-35.1%
Income taxes	-3.2	-6.4	-49.8%
<b>Profit for the period attributable to the owners of the company</b>	<b>14.7</b>	<b>21.2</b>	<b>-30.6%</b>
Turnover	152.3	195.5	-22.1%
Effect of early deliveries	8.2	1.4	483.1%
<b>Turnover on a comparable basis <sup>(1)</sup></b>	<b>160.5</b>	<b>197</b>	<b>-18.5%</b>
<b>EBITDA on a comparable basis <sup>(1)</sup></b>	<b>40.1</b>	<b>48.6</b>	<b>-17.4%</b>
<b>Balance sheet (in m€)</b>			
Fixed assets	78.2	93	-16.0%
Current assets	105.1	104.8	0.3%
<b>Total assets</b>	<b>183.3</b>	<b>197.7</b>	<b>-7.3%</b>
Shareholders' equity	142.6	143.8	-0.8%
Grants	0.4	0.4	-3.6%
Non-current liabilities	16	21.4	-25.3%
Current liabilities	24.3	32.1	-24.4%
<b>Totaal equity and liabilities</b>	<b>183.3</b>	<b>197.7</b>	<b>-7.3%</b>
<b>Key figures in € per share</b>			
EBITDA	2.6	3.6	
Profit for the period attributable to the owners of the company	1.1	1.6	

<sup>(1)</sup> Turnover and EBITDA on a comparable basis are the turnover and EBITDA adjusted for the effect of the earlier deliveries in order to show the same seasons. For 2020, this adjustment was m€ 8.2, being the invoiced turnover in 2019 (collection summer 2020) corrected with the invoiced turnover 2020 (collection summer 2021). In 2019 this was a correction of m€ 1.4, being the invoiced turnover in 2018 (collection summer 2019) corrected with the invoiced turnover in 2019 (collection summer 2020).

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

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## 2. TURNOVER

On a comparable basis (including comparable seasonal deliveries), the consolidated turnover in 2020 decreased by 18.5% (from m€ 197.0 to m€ 160.5). The reported turnover decreased more sharply, namely by 22.1% (from m€ 195.5 to m€ 152.3). This is a timing difference resulting from the decision not to prematurely start the 2021 summer season delivery in November due to the COVID-19 pandemic.

This comparable turnover evolution consists of the following components:

- Comparable wholesale turnover of 2020 ends 14.6% lower or –m€ 23.6. In the first half of the year, there was a 23.5% decline in turnover as a result of the store closures from mid-March in all markets. The turnover decline in the second half of the year was 2%. In the second half of the year there was a strong recovery in turnover in the most important countries and markets, in the other countries the recovery was more limited. Turnover in E-commerce grew significantly at our independent retail partners and on the brand sites.
- The retail turnover (own store network) in 2020 decreased by 36.6% to m€ 22.3. In Europe, turnover fell by 26.8%, while the US was down 57.3%. In the first half of the year, turnover fell by 42.0%. Due to the COVID-19 pandemic, stores were closed from mid-March through May or June, depending on the country. In the second half of the year, turnover fell by 30.7% and we see a stronger recovery in NL and DE than in the UK and US. The stores in DE and NL have a more suburban location, and clearly perform better than those in shopping centers and busy shopping streets. The sales recovery in the second half of the year was held back by the lockdown measures at year-end in NL, DE and UK.

## 3. EBITDA

On a comparable basis (including comparable seasonal deliveries), the consolidated EBITDA for 2020 fell by 17.4%, from m€ 48.6 in 2019 to m€ 40.1. The EBITDA on a non-comparable basis fell by 27.1% in 2020 from m€ 47.6 in 2019 to m€ 34.7.

The EBITDA on a comparable basis amounts to 25.0% of turnover compared to 24.7% in 2019. The decrease in expenditure was in line with the decrease in turnover. The decrease in expenditure is the further result of the optimizations implemented in 2019, the discipline in discretionary spending, and the lower costs due to the mandatory closure of own stores due to the lockdown measures. In addition, costs also decreased due to the disappearance of volume-related expenses.

## 4. INCOME TAX AND NET PROFIT

The tax rate has decreased and amounts to 16.6%, compared to 21.7% in 2019 as a result of the decrease in profit.

In 2020, the group profit will end 30.6% lower than last year; m€ 14.7 compared to m€ 21.2.

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## 5. FINANCIAL RESULT

The financial result amounts to -m€ 0.3 in 2020 compared to -m€ 3.4 in 2019. The difference of m€ 3.1 is mainly explained by the impact of the conversion of the exchange rates for m€ 2.7.

## 6. INVESTMENTS

Capital expenditure (excluding right of use assets) amounts to m€ 2.7 in 2020 compared to m€ 5.3 in 2019. These investments primarily relate to the further development of the digital platforms and systems. Van de Velde finances these investments with its own funds.

## 7. WORKING CAPITAL AND SOLVENCY

Working capital (current assets excluding cash and cash equivalents less current liabilities excluding financial debts) remains stable and amounts to m€ 35.4 at the end of 2020 compared to m€ 36.3 at the end of 2019.

The solvency (share of equity in total equity) of Van de Velde is very high (77.8%). The current assets amount to 4.3 times the current liabilities, which indicates a strong liquidity.

## 8. COVID-19 UPDATE

In the year 2020, companies around the world were hit by the effects of the COVID-19 pandemic. This also applies to Van de Velde, which is why it is treated as a risk here.

In the first half of the year, at the start of the COVID-19 pandemic outbreak, Van de Velde assembled a Business Continuity team that monitored the group's activities on a daily basis. The focus of the team was on the safety and health of the employees, guaranteeing the business continuity and the financial health of the company.

In the second half of the year, the focus in the organization was on the recovery after the first lockdown period. In addition, priority was given to long-term initiatives. For example, further investments were made in the digital platform, six of the seven websites were modernized to enhance the consumer and brand experience. Opti-channel features and e-services were developed and offered to digitally active retail partners. Several successful brand awareness campaigns were launched, including the "we are PrimaDonna" campaign.

In 2020, six non-profitable stores in our own store network were closed. The number of stores in the US has decreased from nine to six, the two stores in Denmark were closed as well as one store in Germany. Several lease contracts were successfully renegotiated.

Van de Velde has a strong balance sheet and strong liquidity with an available cash position of m€ 49.8.

Flare-ups of the COVID-19 pandemic in our markets could adversely affect our business, financial condition, cash flows and operating results. Van de Velde's strong financing and liquidity structure is sufficient to ensure the sustainability of the company.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date that could have a significant impact on the financial statements of the group as at December 31, 2020.

# Van de Velde

## **10. PROSPECTS**

After a difficult 2020, our ambition is to achieve growth in 2021 as soon as the evolution of the COVID-19 pandemic allows us to. We have summarized our strategic vision as follows: "Sustainable growth through brand activation and service to retail partners, with segmentation and digital acceleration"

## **11. DIVIDEND**

For the 2020 financial year, the Board of Directors proposes to the General Meeting of Shareholders to distribute a stable dividend of € 1.00 per share (€ 0.70 net). After approval by the General Meeting, the final dividend will be made payable from May 6, 2021. The remaining financial sources (including cash position) allow all necessary investments to be made to ensure the competitive strength of the company.

## **12. SHARE BUYBACK PROGRAMME**

On February 25, 2020, the Board of Directors had approved a share buyback programme for a maximum of m€ 15. Prior to the date of discontinuation (see press release March 18, 2020), 17,178 own shares had already been repurchased under this programme. As of September 4, 2020, this programme was resumed with an expected duration of 1 year. Between September 4 and December 31, 2020, 49,005 treasury shares were purchased.

The purchases are made in accordance with the applicable laws and regulations and within the framework of the mandate granted by the Extraordinary General Meeting of 11 December 2019. The programme is carried out by an independent intermediary with a discretionary mandate, which means that the purchases take place in both open and closed periods. Van de Velde regularly provides information about the purchase transactions carried out. This buyback programme can be discontinued at any time.

## **13. STATUTORY AUDITOR'S REPORT ON THE ANNUAL INFORMATION AS OF 31 DECEMBER 2020**

Our statutory auditor, EY Bedrijfsrevisoren BV, represented by Francis Boelens, has confirmed that his audit procedures on the consolidated financial statements have been thoroughly completed and that they have not revealed any significant corrections that should be made to the accounting data included in this press release.

# Van de Velde

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Van de Velde creates fashionable lingerie of superior quality with its premium, complementary brands PrimaDonna, Marie Jo and Andres Sarda. We believe in 'Shaping the bodies and minds of women': we want to make a difference in women's lives with our beautiful and perfectly fitting lingerie, by lifting their self-confidence and self-image. For us, an impeccable in-store service is key, an approach which we have consolidated in our Lingerie Styling Concept.

We work in close partnership with 3,600 independent lingerie boutiques worldwide. In addition, we have our own retail network with retail brands Rigby & Peller and Lincherie. Our geographical center of gravity is Europe and North America. Van de Velde employs almost 1,600 employees and is listed on Euronext Brussels.

## CONTACTS

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