

# Van de Velde

31.08.2021 – 08h00

Regulated information – Half-year results 2021

## Van de Velde realizes strong growth in turnover and EBITDA

- Van de Velde reports a comparable turnover of m€ 96.6, an increase of 16.5%.
- Comparable EBITDA increases by 30.6% to m€ 29.1 and corresponds to 30.1% of the comparable turnover.
- Cash position increases by m€ 3.4 to m€ 53.3.
- Net group profit for the period amounts to m€ 18.2, an increase of m€ 13.2.

### CONSOLIDATED KEY FIGURES PROFIT AND LOSS STATEMENT (PREPARED IN ACCORDANCE WITH IFRS AND AUDITED)

Consolidated key figures	30.06.2021	30.06.2020	%
<b>Profit and loss statement (in m€)</b>			
Turnover	97.6	73.9	32.1%
Other operating income	3.0	2.2	38.8%
Cost of materials	-18.2	-14.4	27.0%
Other expenses	-30.7	-25.3	21.5%
Personnel expenses	-21.9	-20.1	8.9%
Operating profit before depreciation and amortization ('EBITDA') <sup>(3)</sup>	29.8	16.3	82.6%
Depreciation and amortization	-6.7	-7.8	-14.1%
EBIT or Operating profit	23.1	8.5	172.0%
Financial result	-0.8	0.2	-475.1%
Result based on the equity method	-0.5	-1.9	-72.4%
Profit before taxes (incl. result based on equity method)	21.7	6.8	219.0%
Profit tax	-3.6	-1.9	92.0%
<b>Group profit</b>	<b>18.2</b>	<b>5.0</b>	<b>266.5%</b>
Turnover <sup>(1)</sup>	97.6	73.9	32.1%
Effect of early deliveries	-1.0	9.0	-111.1%
<b>Turnover on a comparable basis<sup>(2)</sup></b>	<b>96.6</b>	<b>82.9</b>	<b>16.5%</b>
<b>EBITDA on a comparable basis<sup>(2)</sup></b>	<b>29.1</b>	<b>22.3</b>	<b>30.6%</b>

<sup>(1)</sup> The turnover in the first half of the year includes the swim collection, which leads to a higher turnover compared to the second half of the year.

<sup>(2)</sup> Turnover and EBITDA on a comparable basis are the turnover and EBITDA adjusted for the effect of the earlier deliveries on order to show the same seasons. For 2021, this adjustment was -m€ 1.0, being the invoiced turnover in 2020 (collection summer 2021) corrected with the invoiced turnover of the first half of 2021 (collection winter 2021). In 2020, this was a correction of m€ 9.0, being the invoiced turnover in 2019 (collection summer 2020). Due to COVID-19, there were no winter deliveries during the first half of the year 2020.

<sup>(3)</sup> EBITDA equals operating profit plus depreciation and amortization of intangible and tangible fixed assets.

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## **TURNOVER**

On a comparable basis (including comparable seasonal deliveries), the consolidated turnover increases during the first half of 2021 by 16.5% from m€ 82.9 to m€ 96.6. The reported turnover increases more sharply, namely by 32.1% from m€ 73.9 to m€ 97.6. This is a timing difference resulting from the postponement of the deliveries of the summer season 2021 at the end of last year.

The comparable wholesale turnover increases by 15.8% to m€ 83.7 and the retail turnover (own store network and retail sites) grew by 21.3% to m€ 12.9. In Europe, retail turnover increases by 16.4% and in the United States by 64.0%. The stronger results in the United States reflect that there were no lockdowns in 2021 compared to prolonged lockdowns in 2020.

In both segments, wholesale and retail, the following trends can be observed:

- In the first half of this year, in many European countries we were confronted with a prolonged lockdown and shop restrictions due to COVID-19. Despite the impact of this, we noticed strong growth in the first half of the year.
- Lingerie sales recovered very strongly and almost reached the level of the first half of 2019.
- Swim sales has not yet recovered due to the many restrictions and uncertainties related to travel in spring 2021 and to high stock levels with our retail partners.
- The strong 360° marketing support ensures an optichannel consumer experience across the different channels. In addition to that the improved digital platforms strongly stimulate sales. The various campaigns have had a positive impact across all channels, both offline and online.
- Retail partners with locations outside shopping centres or shopping streets and with a strong digital focus grew faster.

We have decided to limit our owned and operated retail activities in the United States to three stores where we continue to strive for excellent consumer experience. These three stores contribute to a positive result.

## **EBITDA**

On a comparable basis (including comparable seasonal deliveries), consolidated EBITDA for the first half of 2021 increases by 30.6%, from m€ 22.3 during the first half of 2020 to m€ 29.1. The EBITDA on a non-comparable basis increases during the first half of 2021 by 82.6% from m€ 16.3 during the first half of 2020 to m€ 29.8.

The EBITDA on a comparable basis amounts to 30.1% of the turnover compared to 26.8% during the first half of 2020. The main reason for this evolution is the 16.5% increase in turnover. Furthermore, there is a positive price effect due to a better mix. Finally, there is an improvement in production efficiency.

## **FINANCIAL RESULT**

The financial result during the first half of 2021 amounts to -m€ 0.8 compared to m€ 0.2 during the first half of 2020. The difference of -m€ 1.0 is mainly explained by the impact of exchange rate conversions.

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## MINORITY STAKE

The estimated result in the first half of 2021 of the participation (25.66%) in Top Form based on the equity method is -m€ 0.5. The final results will be published by Top Form on 14 September 2021.

## INCOME TAX AND NET PROFIT

The tax rate has decreased and amounts to 16.0%, compared to 21.3 % during the first half of 2020 as a result of transferable tax incentives from the previous financial year.

In the first half of 2021, the group profit ended at m€ 18.2, compared to m€ 5.0 in the first half of 2020.

## CONSOLIDATED KEY FIGURES BALANCE SHEET (PREPARED IN ACCORDANCE WITH IFRS AND AUDITED)

Balance sheet (in m€)	30.06.2021	30.06.2020	%
Fixed assets	77.0	89.0	-13.5%
Current assets	116.0	109.0	6.5%
<b>Total assets</b>	<b>193.0</b>	<b>197.9</b>	<b>-2.5%</b>
Equity	147.8	151.1	-2.2%
Grants	0.3	0.4	-20.0%
Total non-current liabilities	14.1	19.0	-25.6%
Total current liabilities	30.7	27.5	12.0%
<b>Total equity and liabilities</b>	<b>193.0</b>	<b>197.9</b>	<b>-2.5%</b>

## INVESTMENTS

Capital expenditure (excluding right of use assets) amounts to m€ 2.3 in the first half of 2021 compared to m€ 1.2 in 2020. These investments primarily relate to the further development of the digital platforms and systems. There were also smaller investments to modernise buildings.

## WORKING CAPITAL AND SOLVENCY

Working capital (currents assets excluding cash and cash equivalents less current liabilities excluding financial debts) decreases and amounts to m€ 36.3 in the first half of 2021 compared to m€ 44.1 in the first half of 2020. This is due to an increase in the short term liabilities as a result of increased business activity and a decrease in tax and VAT receivables.

The solvency (share of equity in total equity) of Van de Velde remains high (76.6%). The current assets amount to 3.8 times the current liabilities, which indicates a strong liquidity.

## COVID-19 UPDATE

In 2020, companies around the world were hit by the effects of the COVID-19 pandemic. The consequences of this pandemic also had an impact on the first half of 2021. At the

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beginning of 2021, many of our retail partners were again confronted with restrictions and several weeks of shop closures. Just like last year, we supported our partners optimally through various measures. This led to a further increase in customer satisfaction.

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

It was decided after 30 June 2021 to end the retail activity in New York 5th Avenue with effective from 15 August 2021.

## **PROSPECTS**

Growth was achieved in the first half of the year, even though the start of the year was difficult due to the many shopping restrictions in the various countries. It is our ambition to realize growth in the second half of the year by further implementing our strategic vision: 'Sustainable growth through brand activation and servicing retail partners, with segmentation and digital acceleration'.

## **SHARE BUY-BACK PROGRAMME**

On 28 August 2020, the Board of Directors approved a share buy-back programme for a maximum of m€ 14.59. This programme will end on 3 September 2021.

During 2020, 49,005 shares were purchased under this programme. An additional 105,925 shares were purchased in the first half of 2021. This brings the total to 183,108 shares<sup>1</sup> held by Van de Velde NV on 30 June 2021.

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 broker 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.

## **INTERIM FINANCIAL REPORT**

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

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<sup>1</sup> Including the treasury shares already held by Van de Velde before August 28, 2020.

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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 fitted 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 1,500 employees and is listed on Euronext Brussels.

## CONTACTS

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