

# Van de Velde

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INTERIM RESULTS 2016

- **CONSOLIDATED TURNOVER ON COMPARABLE BASIS RISES BY 2.7%.**
- **REBITDA ON COMPARABLE BASIS INCREASES BY 7.1%.**
- **COMPARABLE NET PROFIT INCREASES BY 4.5%.**
- **LIQUIDITY AND SOLVENCY POSITION REMAINS VERY STRONG.**
- **THE BOARD OF DIRECTORS DECIDED TO DISTRIBUTE AN INTERIM DIVIDEND OF €1.35 PER SHARE IN AUTUMN 2016.**

## **TURNOVER GROWS BY 2.7% ON COMPARABLE BASIS IN THE FIRST HALF-YEAR**

Consolidated turnover at Van de Velde in the first half of 2016 rose by 0.5% (from € 113.4m to € 113.9m).

On a like-for-like basis (including comparable seasonal deliveries) consolidated turnover was up 2.7%. This turnover growth consists of the following components:

- Growth of Wholesale turnover of 5.9%. The growth continues both in lingerie as well as swimwear. Also pre-orders for the second half of the year are higher than the same period last year.
- Decrease of Retail turnover in the US by 17.7% on comparable basis, both in local currency as well as in Euro as the average exchange rate remained relatively stable. Due to the closure of loss-making stores, total Retail turnover in the US declined by 27.9%.
- Growth of Retail turnover in Europe on comparable basis at constant exchange rates by 5.3%, especially driven by growth on comparable basis in the Netherlands (7.6%) and the UK (5.5%). Taking into account exchange rate differences, growth on comparable basis is 1.2%. Total Retail turnover in Europe declined by 4.1% due to closure of loss-making stores and conversion of owned into franchised store.

## **COMPARABLE RECURRING EBITDA ('REBITDA') INCREASES FURTHER BY 7.1%**

REBITDA for the first half year increased by 2.5%, from € 36.4m to € 37.3m. On a comparable basis (including comparable deliveries), consolidated REBITDA rose by 7.1%, from € 35.9m to € 38.5m. The primary reasons for this rise were the following:

- A rise in Wholesale turnover.
- A slight increase in gross margin.
- Slight increases in fixed costs are mainly related to sales-driving costs (such as marketing and sales programs).
- Lower personnel costs due to closure of a number of loss marking stores.
- REBITDA in the Retail business is, except for costs related to closure of loss-making stores, in line with the same period in the previous year, however, with an increase in the UK and Continental Europe but a continued decline in the US.

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

In the first half of 2016, no impairment charges have been recorded.

## **FINANCIAL RESULT**

The financial result was higher than in the same period last year. This is mainly related to lower negative unrealized exchange losses.

## **SHARE OF RESULTS OF ASSOCIATES**

The share of results of associates (based on the equity method) was negative and primarily driven by the contribution of Private Shop. The contribution by Private Shop was based on equity movements up to and including 30 June 2016. In the period from 1 January 2016 until 30 June 2016, Private Shop realized a loss of k\$ 674. Top Form has contributed positively to profit in the first half of the year.

## **INCOME TAXES AND NET PROFIT**

Income taxes were higher compared with the same period last year.

The group profit declined from € 22.0m to € 21.2m. On a comparable basis, the consolidated group profit (including comparable deliveries) rose from € 21.3m to € 22.3m. This resulted in a decline of the profit per share from € 1.65 to € 1.59.

The Board of Directors today approved, based on the powers invested in it by the articles of association, the payment of the interim dividend of € 1.35 per share. After payment of 27% tax, this represents a net dividend of € 0.99 per share.

This dividend will be allocated to the shares with rights that are not suspended. As the company does currently not hold any own shares, the number of shares with dividend rights is 13,322,480.

The dividend for registered shares and dematerialised shares will be paid out on 24 November 2016.

Financial calendar with regard to the interim dividend:

- Ex-coupon date: 22 November 2016
- Record date: 23 November 2016
- Payment date: 24 November 2016.

## **CASH POSITION AND SOLVENCY/LIQUIDITY**

At half-year the cash position was € 19.2m (versus € 22.6m last year).

Van de Velde's solvency (share of equity in total equity and liabilities) remained very high (74.4%). The current assets represented 2.6 times the value of the current liabilities, an indication of strong liquidity.

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## PROSPECTS

In wholesale, pre-orders for autumn/winter 2016 are higher than the previous year, however somewhat lower than the increase which was realized in the first half. Van de Velde expects a rise in wholesale over the whole year 2016.

Forecasts for retail are more difficult to make and show a different view over different regions. Continental Europe, especially the Netherlands, shows strong performance with growth on comparable basis. UK showed reasonably good growth on comparable basis, but the exchange rate impact of the British pound turned this into a decline. Retail activities in the USA continue to underperform and will decline in 2016 compared to 2015. As of September 2016, Rigby & Peller USA will put stronger focus on online sales besides the existing store network.

Van de Velde also expects a rise in REBITDA for the whole of 2016 on a comparable basis. On an annual basis, this rise will in terms of percentage be lower than the 7.1% reported at half-year.

## INTERIM FINANCIAL REPORT

The interim financial report (including regulated information and the report of the statutory auditor on the half-year information) can be accessed by following [this link](#):

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

<b>Financial key figures</b>		
<b>Profit and loss statement (in € m)</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Turnover	113.9	113.4
Turnover on comparable basis	115.7	112.7
Recurring EBITDA (operating profit plus depreciation)	37.3	36.4
REBITDA on comparable basis	38.5	35.9
Recurring EBIT or operating profit	33.1	32.4
Profit before taxes	32.8	31.6
Profit for the period	21.2	22.0
<b>Balance sheet (in € m)</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
Fixed assets	71.3	70.8
Current assets	91.4	90.9
<b>Total assets</b>	<b>162.7</b>	<b>161.7</b>
Shareholders' equity	121.1	129.2
Non-controlling interest	0.7	0.9
Non-current liabilities	5.1	4.5
Current liabilities	35.8	27.2
<b>Total equity and liabilities</b>	<b>162.7</b>	<b>161.7</b>
<b>Key figures in € per share</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Basic earnings per share	1.59	1.65

# Van de Velde



## **CONTACTS**

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## **VAN DE VELDE**

Van de Velde NV is a leading player in the luxury and fashionable women's lingerie sector. Van de Velde is convinced of a long-term strategy based on developing and expanding brands around the Lingerie Styling concept (fit, style and fashion), especially in Europe and North America.