

Van de Velde

28.08.2024 – 08u00

Regulated information – Half-year results 2024

Van de Velde sharpens its market position in challenging spring for fashion industry.

- Van de Velde reports a comparable turnover of m€ 116.2, a decrease of 5.1%.
- The comparable turnover of the D2C segment ends at m€ 28.3 (+11.1% versus last year). The comparable turnover of the B2B segment amounts to m€ 87.9, -9.4% versus last year.
- The comparable EBITDA amounts to m€ 31.9, a decrease of 15.1%, due to additional marketing activation and rising wage costs because of inflation.
- The comparable EBITDA corresponds to 27.5% of the comparable turnover.
- Firm control of working capital leads to a growth in cash position to m€ 51.3, an increase of 2.2%.
- The net group profit of the period amounts to m€ 19.7, a decrease of 10.6%.

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

| Consolidated overview of realized and unrealized results | 30.06.2024 | 30.06.2023 | % |
|---|--------------|--------------|---------------|
| Condensed consolidated profit and loss account (in m€) | | | |
| Turnover ⁽¹⁾ | 113.3 | 120.6 | -6.1% |
| Operating profit before depreciation and amortization ('EBITDA') ⁽³⁾ | 30.0 | 36.3 | -17.5% |
| EBIT or Operating profit | 24.6 | 31.2 | -21.2% |
| Group profit | 19.7 | 22.0 | -10.6% |
| Turnover | 113.3 | 120.6 | -6.1% |
| Effect of early deliveries | 2.9 | 1.8 | |
| Turnover on a comparable basis ⁽²⁾ | 116.2 | 122.5 | -5.1% |
| EBITDA on a comparable basis ⁽²⁾ | 31.9 | 37.6 | -15.1% |

Our CEO Karel Verlinde looks back on the first half of 2024:

"During this challenging spring for the fashion industry, we managed to sharpen our market position. The sales in the D2C segment continue to grow consistently thanks to our marketing activation. Firm control of working capital leads to a growth in cash position."

⁽¹⁾ 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.

⁽²⁾ Turnover and EBITDA on a comparable basis are the turnover and EBITDA adjusted for the effect of early deliveries in order to show the same seasons. In 2024, this adjustment was m€ 2.9, being the invoiced turnover in 2023 for deliveries of the 2024 summer collection, corrected with the invoiced turnover in the first half of 2024 for deliveries of the 2024 winter collection. In 2023 this was a correction of m€ 1.8, being the invoiced turnover in 2022 for deliveries of the 2023 summer collection, corrected with the invoiced turnover in the first half of 2023 for deliveries of the 2023 winter collection.

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

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On a comparable basis (including comparable seasonal deliveries), the consolidated turnover decreases by 5.1% in 2024 H1 to m€ 116.2. The reported turnover decreases (-6.1%) from m€ 120.6 to m€ 113.3.

The comparable turnover evolution consists of the following components:

| In m€ | 30.06.2024 | 30.06.2023 | % |
|---|--------------|--------------|--------------|
| Turnover B2B segment ⁽¹⁾ | 85.0 | 95.2 | -10.7% |
| Turnover D2C segment ⁽²⁾ | 28.3 | 25.5 | 11.1% |
| Total turnover | 113.3 | 120.6 | -6.1% |
| Early deliveries winter collection H1 2024 and 2023 | -1.7 | -3.5 | |
| Early deliveries summer collection H2 2023 and 2022 | 4.6 | 5.4 | |
| Comparable Turnover B2B segment | 87.9 | 97.0 | -9.4% |
| Comparable Turnover D2C segment | 28.3 | 25.5 | 11.1% |
| Total comparable turnover | 116.2 | 122.5 | -5.1% |

In the first half of 2024, we experienced a decrease in swim sales. The unfavorable weather conditions led to lower sales in many stores.

The **B2B** turnover amounts to m€ 87.9, -9.4% compared to last year. This reflects the present market conditions. We do manage to sustain our market position amongst independent retail partners. PrimaDonna was voted best-selling lingerie and swim brand for the first time by German independent retail partners.⁽³⁾

The turnover of the **D2C** segment ends at m€ 28.3, +11.1% versus last year, thanks to the strong performance of our digital channels. Through ongoing marketing activation, we consistently attract new consumers to our brands.

EBITDA

On a comparable basis (including comparable seasonal deliveries), the consolidated EBITDA in 2024 H1 amounts to m€ 31.9 compared to m€ 37.6 in 2023 H1. The reported EBITDA decreases by 17.5% in 2024 H1 from m€ 36.3 in 2023 H1 to m€ 30.0. The EBITDA on a comparable basis corresponds to 27.5% of the turnover compared to 30.7% in 2023 H1.

This EBITDA evolution is the result of a turnover decrease combined with additional marketing activation and rising wage costs due to inflation.

FINANCIAL RESULT

The financial result amounts to m€ 0.3 in 2024 H1 compared to -m€ 0.7 in 2023 H1. The difference of m€ 1.0 is mainly explained by:

- Profits and losses from conversions. These end m€ 0.4 lower than in 2023 H1.
- Financial revenues. These end m€ 0.6 higher than in 2023 H1 thanks to increased interest rates.

⁽¹⁾ The B2B segment refers to sales realized at wholesale price. Today this concerns the business with independent retail and e-tail partners, franchisees and department stores.

⁽²⁾ The D2C segment refers to sales realized at retail price. Today this concerns the business from our own store network, our own websites and the concession sales in department stores.

⁽³⁾ Based on monthly surveys with about 70 German independent retail partners by the trade magazine Sous-Magazin.

SHARE OF RESULT 'EQUITY PICK-UP'

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The estimated result in the first half of 2024 of the participation (25.66%) in Top Form International Ltd. based on the 'equity'-method is m€ 0.5 compared to -m€ 2.1 in the first half of 2023.

The final results will be published by Top Form International Ltd. on 26 September 2024.

INCOME TAX AND NET PROFIT

The tax rate amounts to 22.9%, compared to 21.2% in 2023 H1.

The group profit amounts to m€ 19.7 in 2024 H1 compared to m€ 22.0 in the first half of 2023.

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

| Condensed consolidated balance sheet | 30.06.2024 | 30.06.2023 | % |
|--------------------------------------|--------------|--------------|--------------|
| Balance sheet (in m€) | | | |
| Fixed assets | 77.8 | 72.6 | 7.1% |
| Current assets | 114.7 | 123.1 | -6.8% |
| Total assets | 192.5 | 195.7 | -1.6% |
| Equity | 152.5 | 156.3 | -2.4% |
| Grants | 0.1 | 0.2 | |
| Total non-current liabilities | 9.2 | 8.6 | 5.4% |
| Total current liabilities | 30.8 | 30.6 | 0.4% |
| Total equity and liabilities | 192.5 | 195.7 | -1.6% |

INVESTMENTS

Capital expenditure (excluding right of use assets) amounts to m€ 3.9 in 2024 H1, compared to m€ 5.7 in 2023 H1. These investments primarily relate to the completion of our new production site in Tunisia as well as the development of digital platforms. There were also investments in our production site in Wichelen.

WORKING CAPITAL AND SOLVENCY

Working capital (current assets excluding cash and cash equivalents less current liabilities excluding financial debts) amounts to m€ 35.6 in 2024, compared to m€ 45.2 in 2023 H1.

The solvency (share of equity in total equity) of Van de Velde remains high (79.2%). The current assets amount to four times the current liabilities, which indicates a strong liquidity.

EVENTS AFTER THE BALANCE SHEET DATE

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No events happened after the balance sheet date that could have had a major impact on the state of the group.

PROSPECTS

We approach the second half of the year with confidence, even though Van de Velde remains vigilant in the current environment. The strong market position of our brands PrimaDonna and Marie Jo in both the Benelux and Germany provides us with a strong foundation for the future. The launch of the Sarda brand got off to a promising start.

SHARE BUY-BACK PROGRAM

On 28 February 2024, the Board of Directors approved a share buy-back program for a maximum amount of m€ 15. The buy-back program started on 4 March 2024 and has a planned duration of one year. This buyback program reflects the company's confidence in its strategy.

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 27 April 2022. 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.

In 2024, 99,390 shares were purchased to a value of €m 3.3 as part of this program and the previous one. On 15 March 2024, 8,000 shares were exercised as part of an option program. In total, 340,791 shares are in possession of Van de Velde on 30 June 2024.

CONSOLIDATED KEY FIGURES HALF-YEAR REPORT

The exhaustive financial report (including regulated information and the statement of limited review of the statutory auditor) can be consulted [through this link](#).

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Van de Velde creates fashionable lingerie of superior quality with its premium, complementary brands PrimaDonna, Marie Jo and Sarda. We believe in 'we ignite the power in 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

For more information, you can get in touch with:

Van de Velde NV - Lageweg 4 - 9260 Schellebelle - +32 (0)9 365 21 00 - www.vandavelde.eu

Herman Van de Velde NV,
always represented by
Herman Van de Velde
President Board of Directors

Karel Verlinde CommV,
always represented by
Karel Verlinde
CEO
