

Van de Velde

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INTERIM RESULTS 2017

- **TURNOVER* INCREASED BY 1.2% TO € 116.9M.**
 - **REBITDA* DECLINED BY 5.7% TO € 36.3M.**
 - **NET PROFIT PER SHARE OF € 1.50.**
 - **INITIATIVES LAUNCHED TO SUPPORT FUTURE INTERNATIONAL GROWTH.**
 - **LIQUIDITY AND SOLVENCY POSITION REMAIN VERY STRONG.**
- * on a comparable basis*

TURNOVER*: € 116.9M – INCREASED BY 1.2% ON A COMPARABLE BASIS

Consolidated turnover at Van de Velde increased by 1.3% (from € 113.9m to € 115.3m) in the first half of 2017.

On a comparable basis (including comparable seasonal deliveries) consolidated turnover was up 1.2% (from € 115.6m to € 116.9m). At constant exchange rates, turnover on comparable basis grew by 1.5%. This turnover growth consists of the following components:

- Wholesale turnover increased by 1.6%. Our PrimaDonna swimwear and the newly introduced PrimaDonna sportswear collections were particularly successful.
- Retail turnover increased by 3.0% on a like-for-like basis at constant exchange rates. Effect of exchange rate and store closures, resulted in a decline of turnover by 1.1%.

REBITDA*: € 36.3M – DECREASED WITH 5.7% ON A COMPARABLE BASIS

Reported REBITDA for the first half year declined by 5.6%, from € 37.3m to € 35.2m. On a comparable basis (including comparable deliveries), consolidated REBITDA declined by 5.7%, from € 38.5m to € 36.3m. The main reasons for this decline were the following:

- Wholesale reported € 0.3m lower contribution to REBITDA and Retail reported € 0.1m higher contribution to REBITDA.
- Unallocated costs increased with € 2.0m, mainly through project costs to support the future growth: mainly in brand positioning, reliability and responsiveness of the end-to-end value chain, preparation for upgrading IT & eCommerce infrastructure as well as training & development of people and recruitment of specific talent and expertise.

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

In the first half of 2017, no impairment charges have been recorded.

FINANCIAL RESULT

The financial result was in line with the same period last year. When correcting for the dividends received from Top Form, the financial result is slightly lower, which is mainly related to lower net result exchange gains and losses.

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SHARE OF RESULTS OF ASSOCIATES

The share of results of associates (based on the equity method) was € 0.4m lower than the previous year, due to a lower contribution by Top Form and Private Shop.

INCOME TAXES AND NET PROFIT

Income taxes were lower compared to last year both as a result of the lower profit before tax as well as of the lower effective tax rate of 34.2% (35.5% last year).

In the first half of 2017, the net profit part of the group declined by 5.4% from € 21.2m to € 20.0m. This resulted in a decline of the profit per share from € 1.59 to € 1.50.

CASH FLOW, CASH POSITION AND SOLVENCY/LIQUIDITY

Net cash flow in the first half of 2017 was negative with € 13.5m, driven by positive cash flow from operations (€ 18.0m), negative cash flow from investments (€ 2.7m) and negative cash flow from financing (€ 28.8m), mainly by the dividend paid out in May 2017. At half-year the cash position was € 6.7m (versus € 18.5m at 31 December 2016).

Van de Velde's solvency (share of equity in total equity and liabilities) remains very high (71.1%). The current assets represented 2.1 times the value of the current liabilities, an indication of strong liquidity.

Working capital (current assets excluding cash and cash equivalents less current liabilities excluding financial debt) declined to € 36.2m as per 30 June 2017 (compared to € 36.9m as per 30 June 2016) mainly due to higher tax payables.

PROSPECTS

The outlook of Van de Velde remains unchanged and we kindly refer to the press release of 19 April 2017.

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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:

Financial key figures		
Profit and loss statement (in € m)	30.06.2017	30.06.2016
Turnover	115.3	113.9
Turnover on a comparable basis	116.9	115.6
Recurring EBITDA (operating profit plus depreciation)	35.2	37.3
REBITDA on a comparable basis	36.3	38.5
Recurring EBIT or operating profit	31.4	33.1
Profit before taxes	30.7	32.8
Profit for the period	20.0	21.2
Balance sheet (in € m)	30.06.2017	31.12.2016
Fixed assets	70.6	71.9
Current assets	81.1	84.8
Total assets	151.7	156.7
Shareholders' equity	107.8	116.6
Non-controlling interest	0.5	0.6
Non-current liabilities	4.8	4.9
Current liabilities	38.6	34.6
Total equity and liabilities	151.7	156.7
Key figures in € per share	30.06.2017	30.06.2016
Basic earnings per share	1.50	1.59

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ABOUT VAN DE VELDE

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.