

# GRUPO CORTEFIEL

C O R T E F I E L Pedro del Hierro SPRINGFIELD women'ssecret FIFTY FACTORY

## **CVC AND PAI TO ACQUIRE GRUPO CORTEFIEL**

**The transaction values the company at over 1 billion euros**

**In the first four months of its financial year [March-June 2017], Grupo Cortefiel reported an increase in Sales and in EBITDA of 10% and 230%, respectively**

**Madrid, 21 July 2017** – Grupo Cortefiel, one of the leading fashion retailers operating in the specialised chain store segment, announces that funds advised by CVC and PAI have reached an agreement to jointly acquire Grupo Cortefiel.

The renewed commitment of CVC and PAI is a clear endorsement of the strategic plan being implemented by Grupo Cortefiel Executive Team – led by its CEO Jaume Miquel – since September 2016.

The deal increases the Company's financial and operational strength and significantly reduces its financial indebtedness. This transaction represents the full exit of the Permira funds from the capital structure.

José Antonio Torre de Silva of CVC stated: *“The excellent performance of Grupo Cortefiel and our confidence in its ability to create value and become a reference in the sector have been instrumental in our investment decision”.*

Federico Conchillo of PAI added: *“Our investment confirms our confidence in the Grupo Cortefiel team. The Strategic Plan is yielding results that are much better than forecasted and the roadmap ahead is clearly defined”.*

Miguel Ibarrola, Non-Executive Chairman of Grupo Cortefiel said: *“The shareholder and financial stability provided by CVC and PAI's reinvestment, coupled with the excellent performance of the Strategic Plan, are the best guarantee to meet our future goals. We are immensely grateful for the trust that Permira has placed in Grupo Cortefiel these past years. Its contribution and unwavering support have been vital for the Company's evolution”.*

As is standard, the transaction is subject to approval by the relevant authorities.

### **Operating results for the first four months 2017/18<sup>1</sup>**

In September 2016, Grupo Cortefiel initiated a Strategic Plan aimed at:

- i) strengthening the positioning of its brands and unifying its sales strategy,
- ii) implementing new processes to ensure sustained growth,

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<sup>1</sup> The 2017/18 financial year began on 1 March 2017 and ends on 28 February 2018.

- iii) reinforcing the Group's synergies and, finally
- iv) applying the new efficiency criteria to drive profitability.

The plan is yielding its results, as reflected by the positive performance of the main business indicators: an increase in like-for-like sales and gross margins and a reduction in costs, all of which has had a direct impact on the exponential improvement in profitability.

From March to June 2017, Net Revenues reached 345 million euros (up 9.8% versus the same period last year). Recurring EBITDA increased in the same period by 230% coming in at 52.1 million euros.

In annualised terms (from June 2016 to June 2017), Last-Twelve-Month EBITDA increased from 96.9 million euros to 151 million euros, +56%.

With respect to these figures, Jaume Miquel, Grupo Cortefiel CEO, said: *“We’ve seen very strong performance across our brands and distribution channels in line with the Strategic Plan, which, coupled with the other measures adopted, are a clear sign that we are firmly moving in the right direction. Our goal is to accelerate and move forward with the process to continually improve our global footprint, digitalisation, sales and profitability”.*

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#### **About Grupo Cortefiel**

*Grupo Cortefiel is one of Europe's top fashion names operating in the specialised chain store segment. The Group currently has almost 10,000 employees.*

*Founded in Madrid in 1880, today it is present in 90 countries and has over 2,000 points of sale.*

*The Group has five chains: Cortefiel, Pedro del Hierro, Springfield, Women'secret and outlet chain Fifty Factory. Each one has its own design team and a customer-oriented sales and management network.*

*Grupo Cortefiel operates in both owned and franchised stores, the latter being the primary vehicle for international expansion.*

*For further information, please visit [www.grupocortefiel.com](http://www.grupocortefiel.com)*

*\*Data as of May 2017*

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