



showroomprive.com

A TRANSFORMING YEAR OPENING NEW HORIZONS FOR THE GROUP



BECOMING MULTICHANNEL THANKS TO CONFORAMA/STEINHOFF PARTNERSHIP IN FRANCE & ABROAD



STRENGTHENING OF TWO STRATEGIC VERTICALS

- **Home & Decoration** with Conforama/Steinhoff partnership
- **Beauty** with Beauteprivee acquisition



ACCELERATION OF OUR INTERNATIONAL OPERATIONS

- **Success of multilocal strategy** implemented in 2016 with 28% growth on comparable perimeter
- **Completed Saldi privati integration**



CONTINUED SOLID AND PROFITABLE GROWTH

- **+27%** in H1-17
- **Keep outperforming E-commerce market**

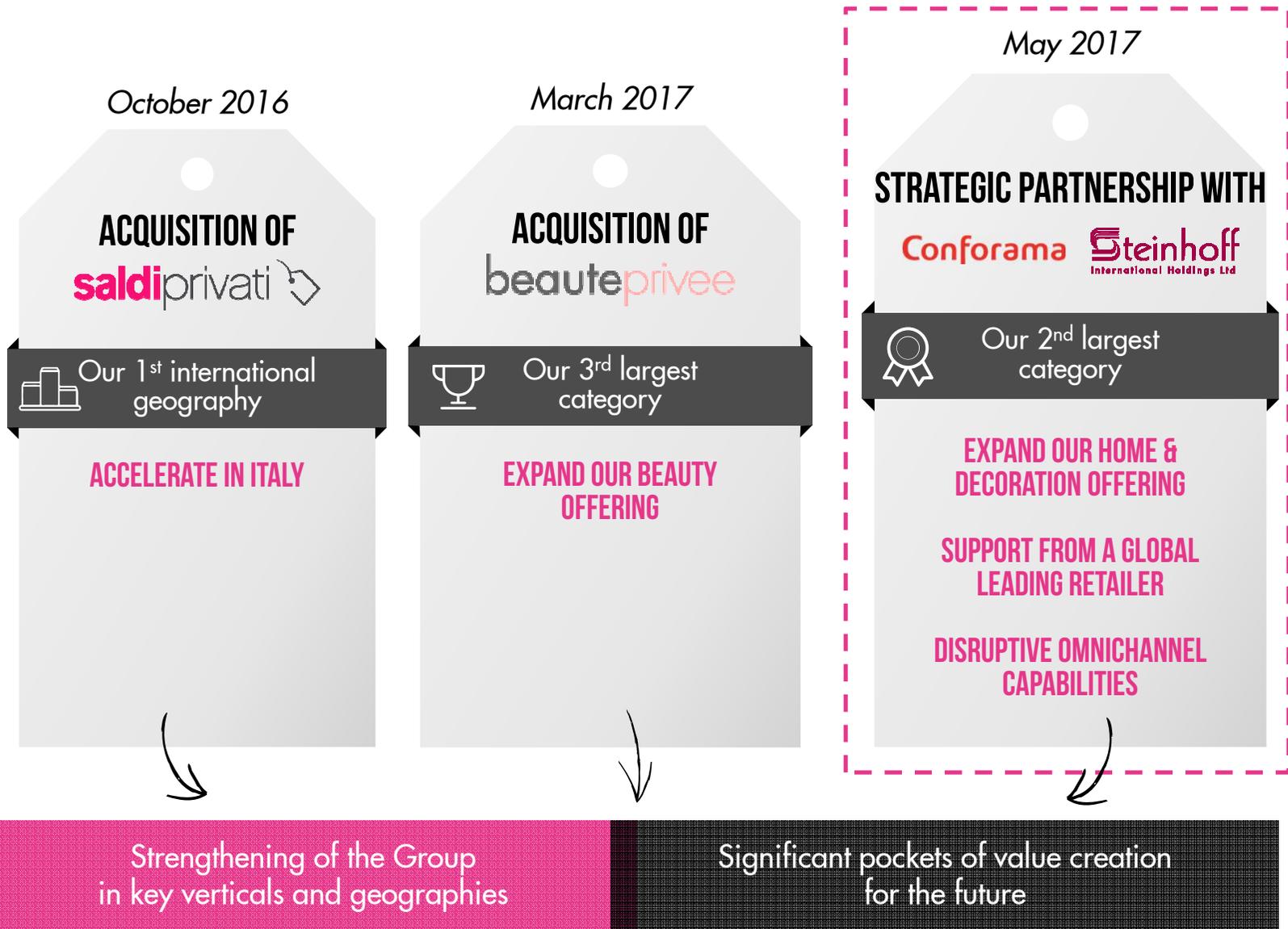




BUSINESS UPDATE



OUR RECENT STRATEGIC INITIATIVES



PARTNERSHIP WITH CONFORAMA/STEINHOFF, A STRONG POTENTIAL ALREADY ON ITS WAY

From signing to 1st synergies in Q3-17



Priority areas of synergies

Strong potential

Detailed area of synergies

OPERATIONS

- 288 Conforama stores in Europe across 8 countries, o/w 204 in France
- Steinhoff is present in 32 countries with 11,500 stores

Q3

- Test of 1st Click-&-Collect deliveries in a sample of Conforama stores

SOURCING

- >€13Bn revenues for Steinhoff in 2016 in Home & Decoration and Fashion
- €3.5Bn revenues for Conforama in 2016
- c.40 brands within Steinhoff Group

Q3

- 1st campaigns sharing with Conforama with a focus on Home & Decoration
- Shop IT campaigns in Conforama stores

MARKETING

- Access to Conforama's clients in France, Spain, Italy, Portugal, Croatia, Luxembourg, Switzerland and Serbia

Q3

- Exchange of best practices
- Offers for Conforama card holders

SALDI PRIVATI: INTEGRATION AHEAD OF PLAN

November 16 – May 17



- Co-existence of the 2 websites
- Carve-out from ePRICE
- 1st campaigns sharing

June 1st 2017



- Merger of Saldi Privati and SRP's Italian platforms
- Keep only one brand in Italy: Saldi Privati
- Local logistic in Italy

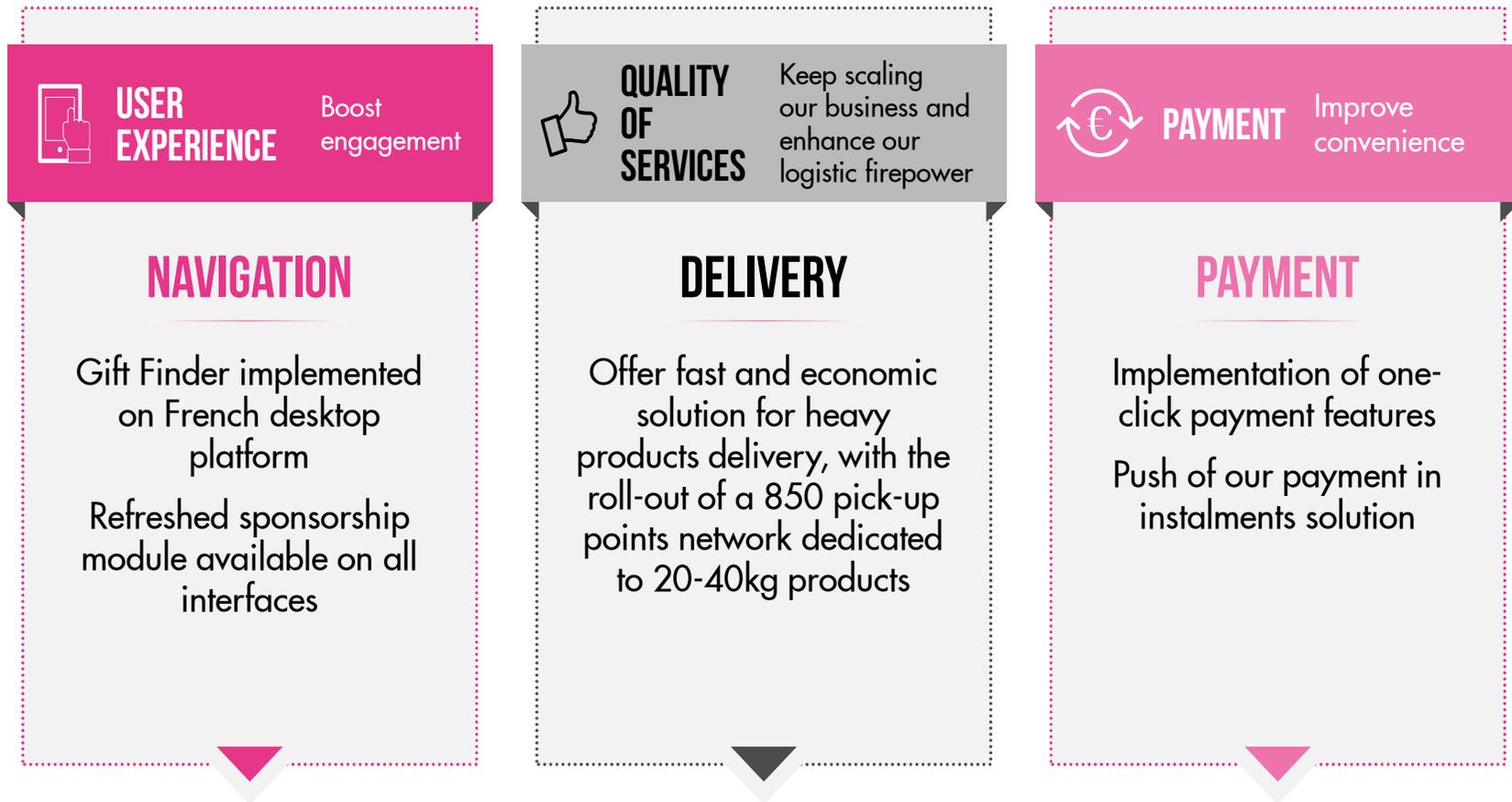
From July 2017



- Revenue and cost synergies
- Marketing campaigns to boost traffic & brand awareness
- Easy access to SRP's offering
- Local team reinforcement in sourcing

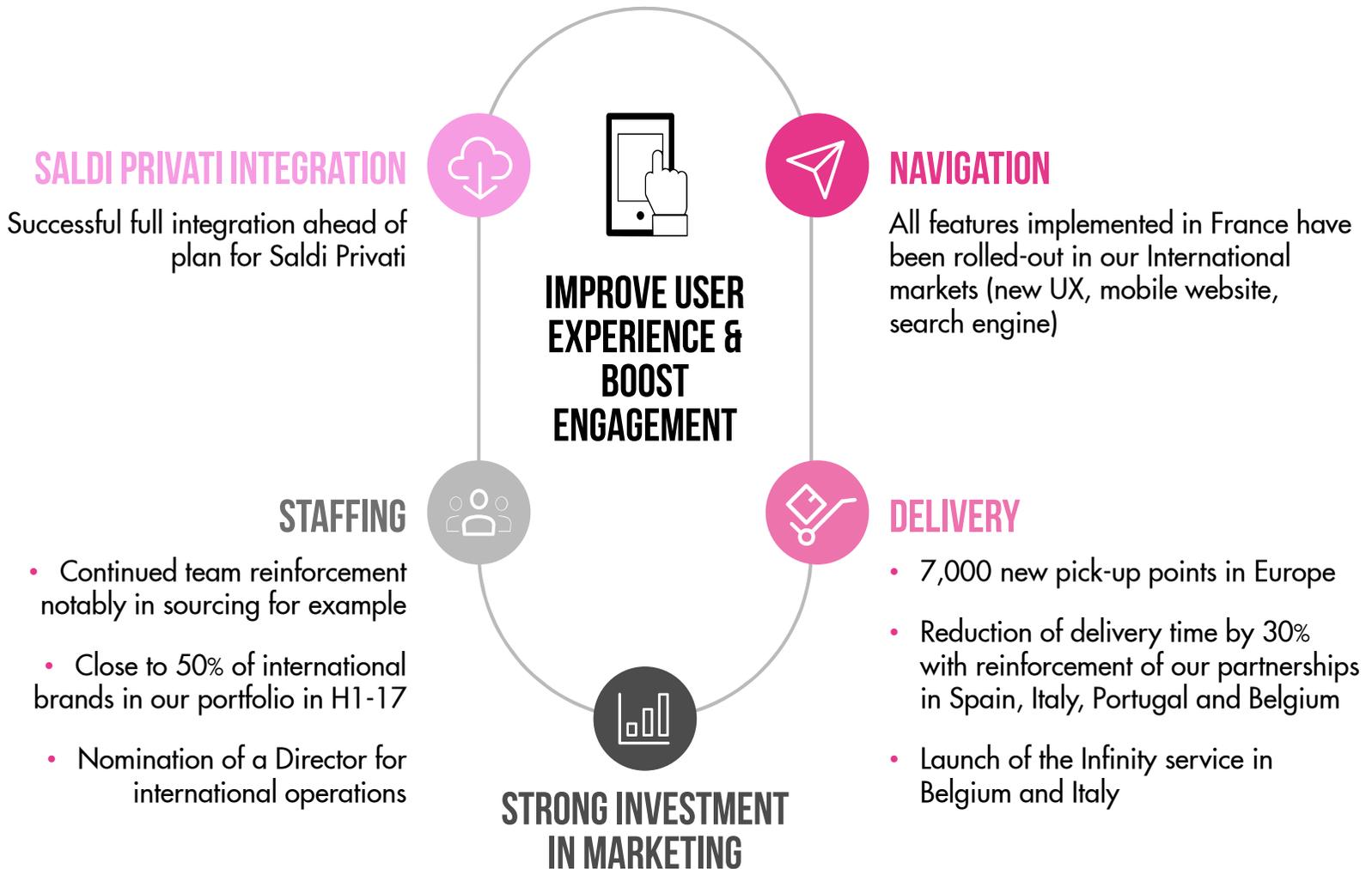
Full effect of synergies and Profitability expected in 2018

KEEP IMPROVING USER EXPERIENCE AND QUALITY OF SERVICES



More convenience and engagement

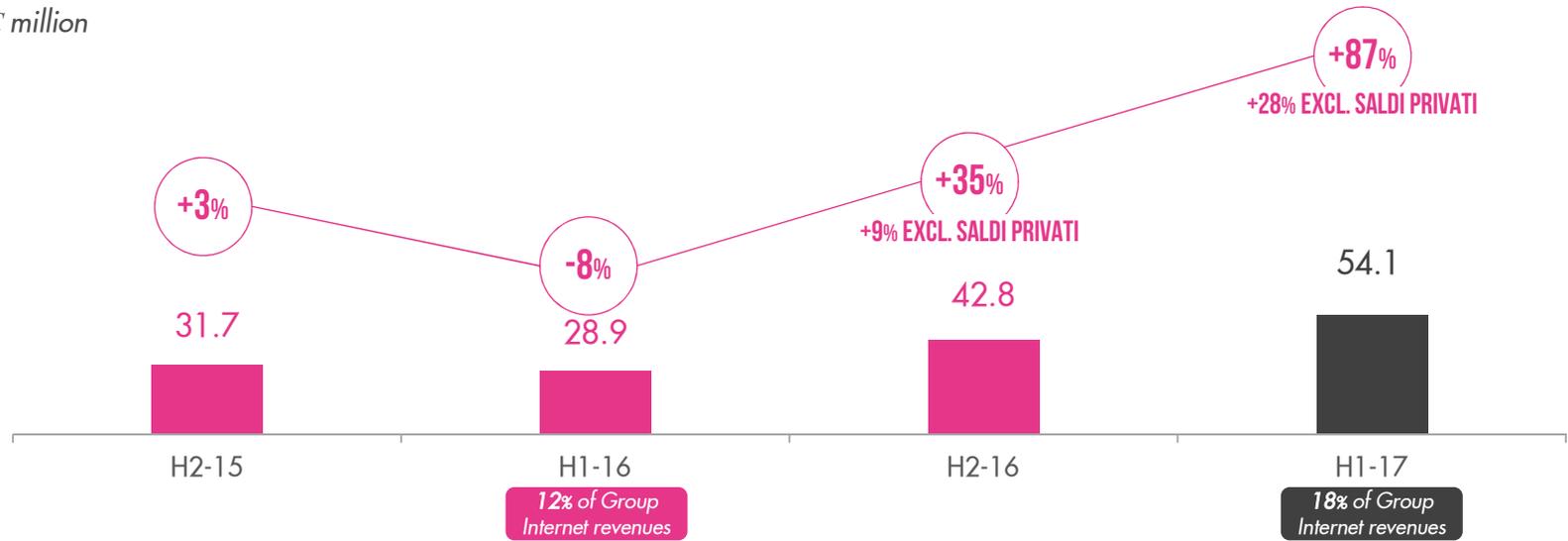
PLENTY OF INITIATIVES IN OUR INTERNATIONAL MARKETS...



...WITH ALREADY VERY GOOD RESULTS

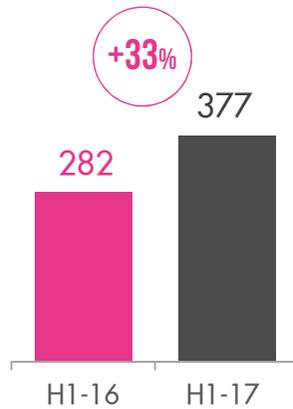
International internet revenues & growth vs same period the year before

€ million



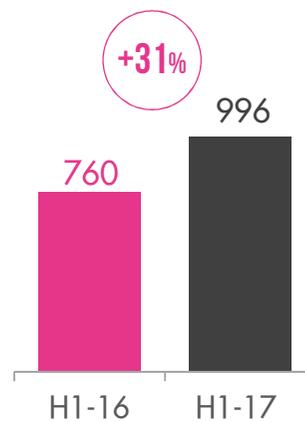
Buyers¹

(In thousands)



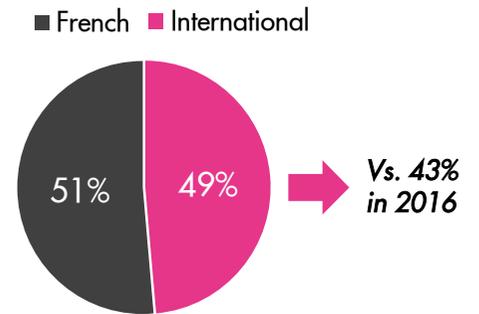
Orders¹

(In thousands)



Brand portfolio in H1-17²

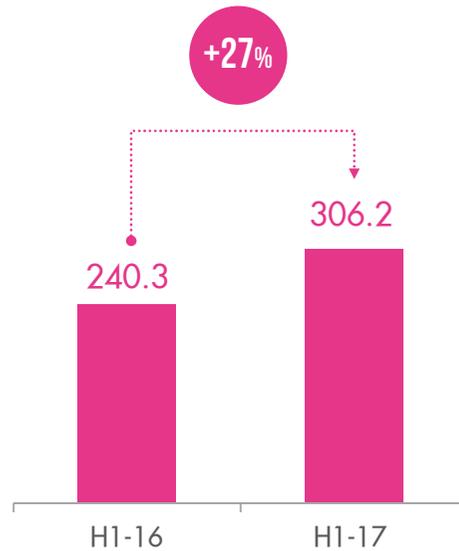
(%)



H1 RESULTS: CONTINUED PROFITABLE GROWTH

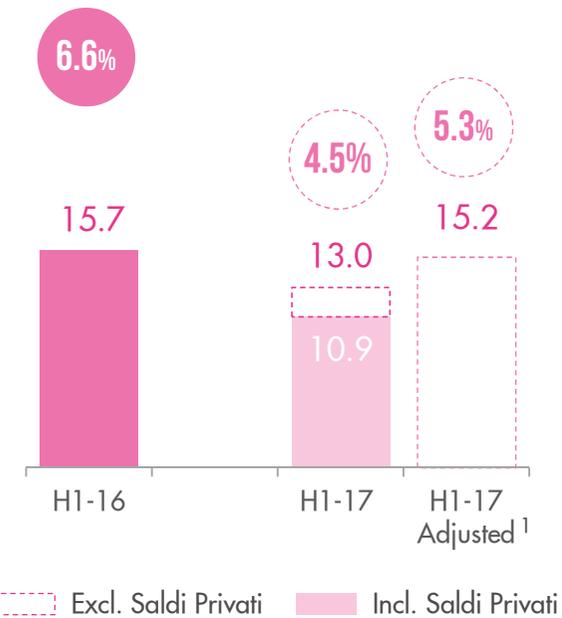
Net revenue & growth

€ million



EBITDA & margin

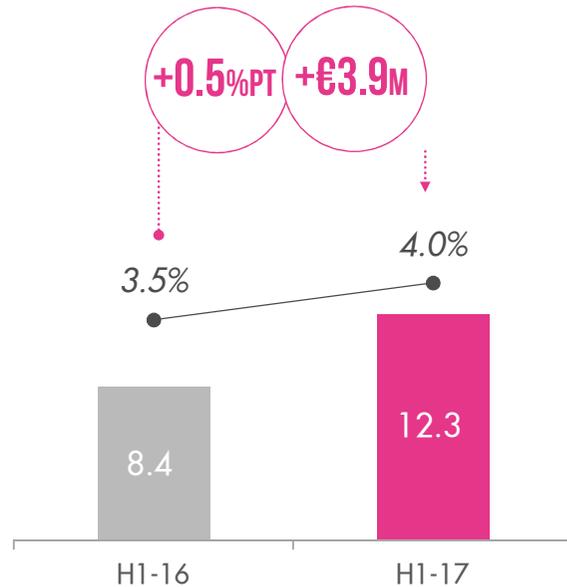
€ million



INVESTING TO FUEL & SECURE OUR H2 GROWTH

Increase in our marketing initiatives

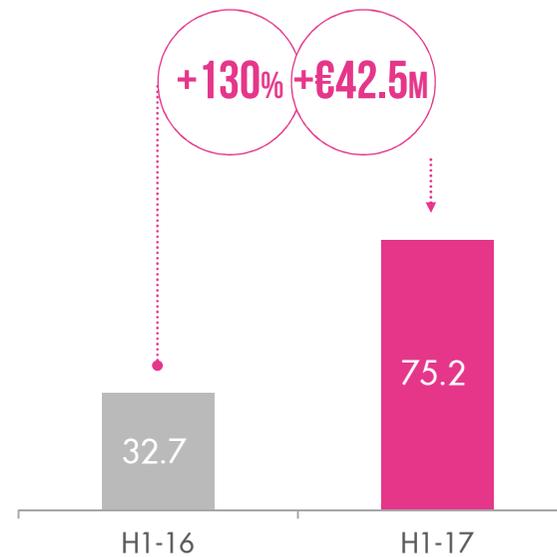
Marketing expenses in € million



STIMULATE MEMBER'S ACTIVITY
BOOST ENGAGEMENT
DRIVE LOYALTY

Securing our H2 planning with firm purchase opportunities grasped in H1

Firm purchases in € million



VISIBILITY ON H2 PLANNING
GREAT BRANDS
EXPRESS DELIVERY
BETTER MARGINS

- c. 60% of total inventory are less than 6 months old
- c. 30% of inventory have not yet been sold on our platforms
- >10% new brands in H1-17 firm purchases opportunities



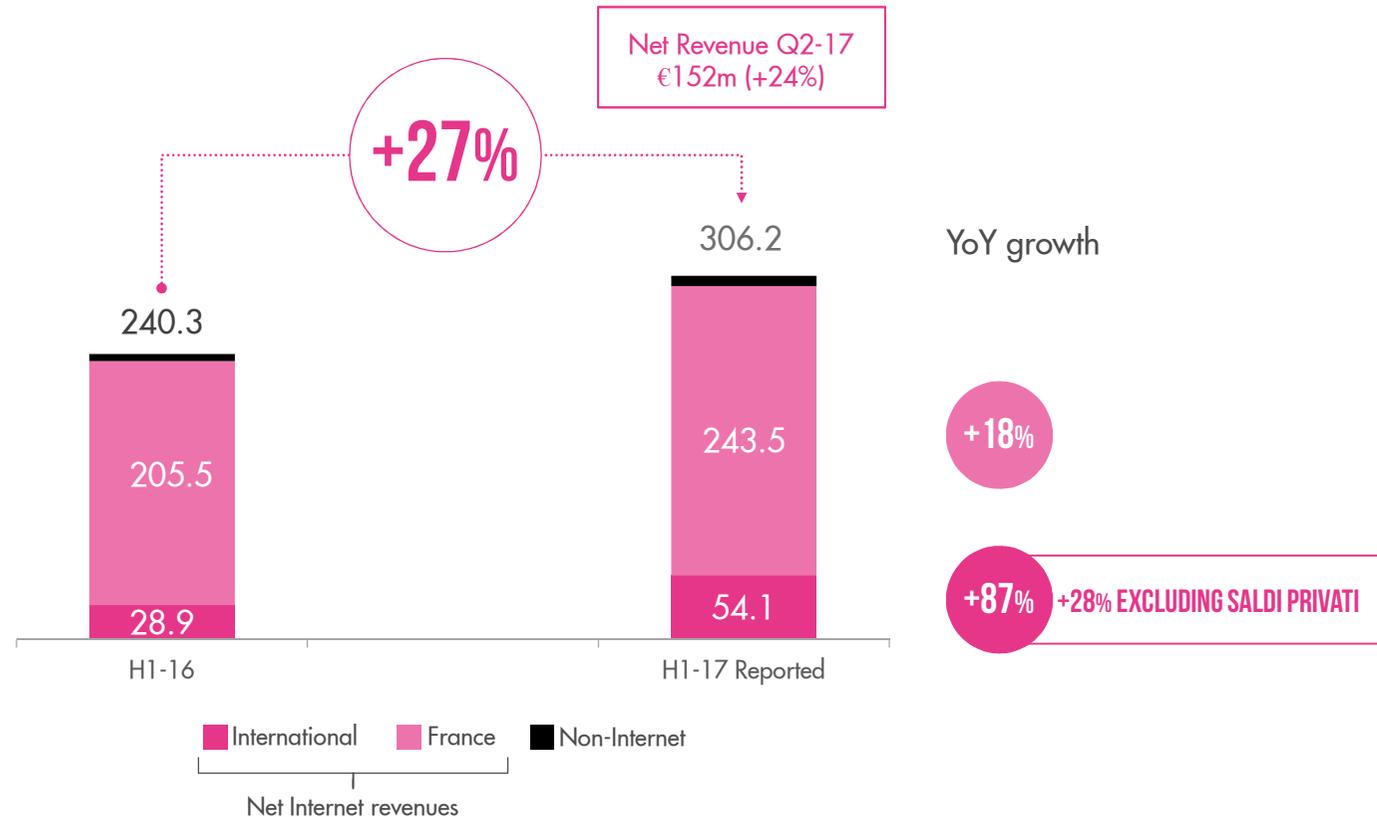
H1-17 FINANCIAL RESULTS



REVENUES GROWTH SUPPORTED BY FRANCE AND DYNAMIC INTERNATIONAL MARKETS

Revenues breakdown

€ million

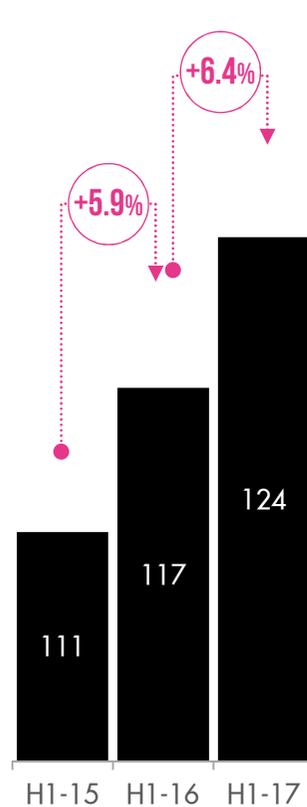


We continue to significantly outgrow the ecommerce market with +27% revenues growth in H1-17

ALWAYS MORE ENGAGED CUSTOMERS

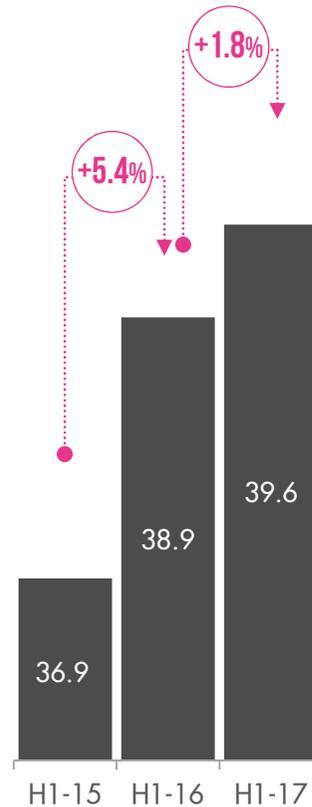
Average revenue per buyer

€



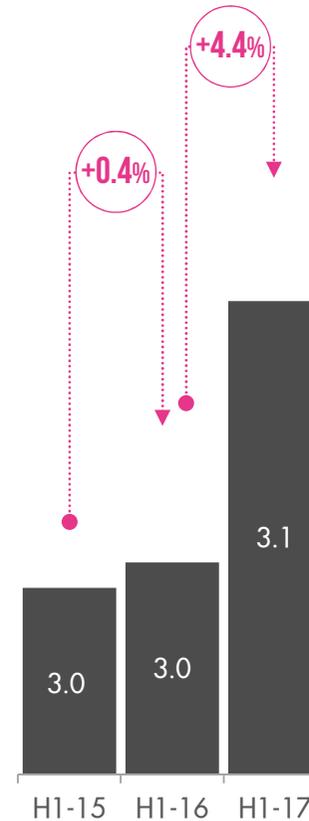
Average Basket size

€



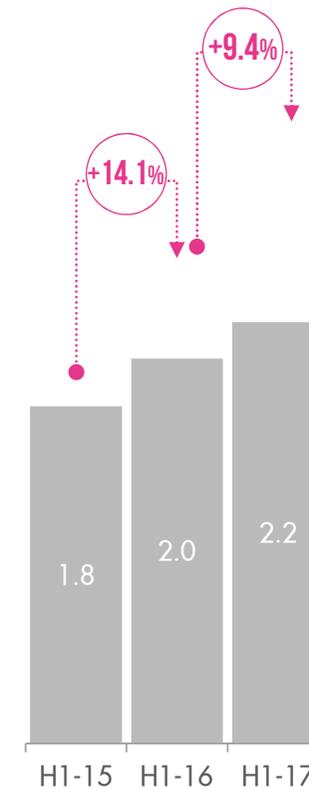
Average order Per buyer

#



Active buyers

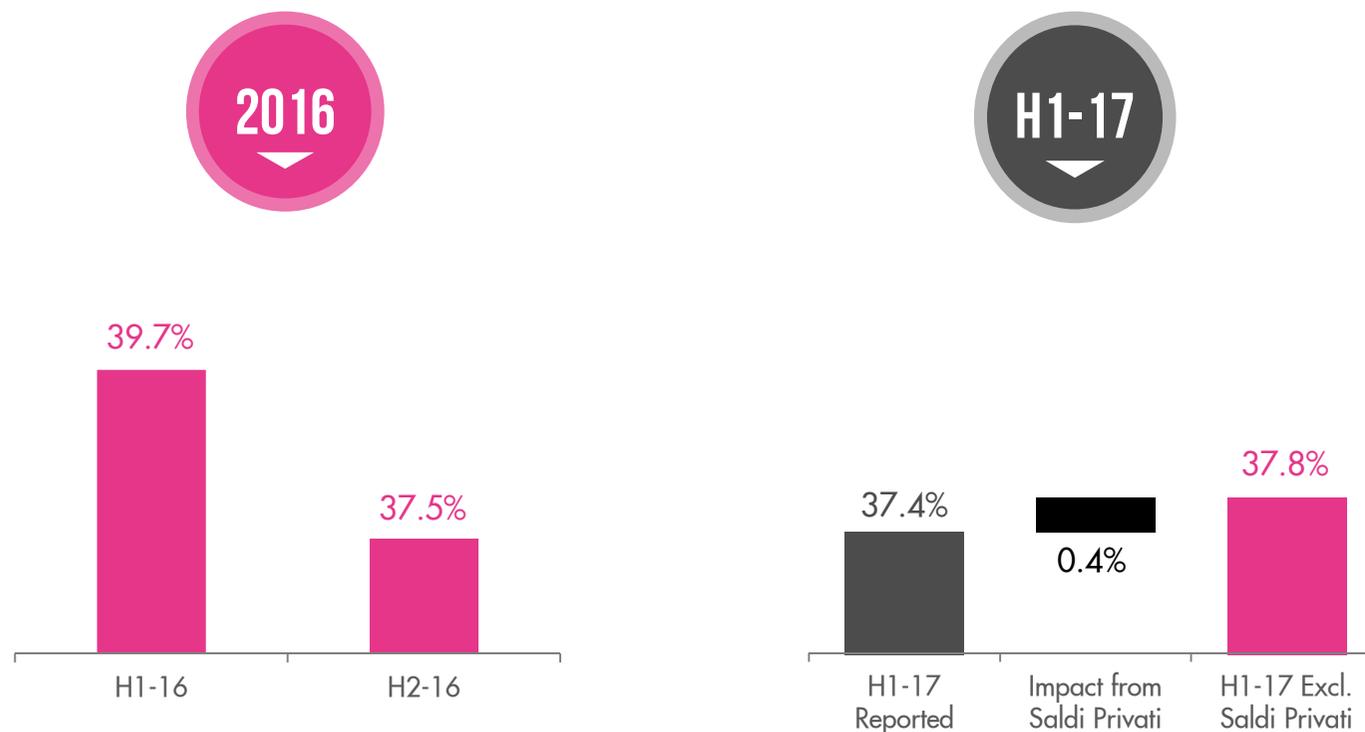
million



STABLE GROSS MARGIN VS. H2-16

Gross margin evolution

€ million

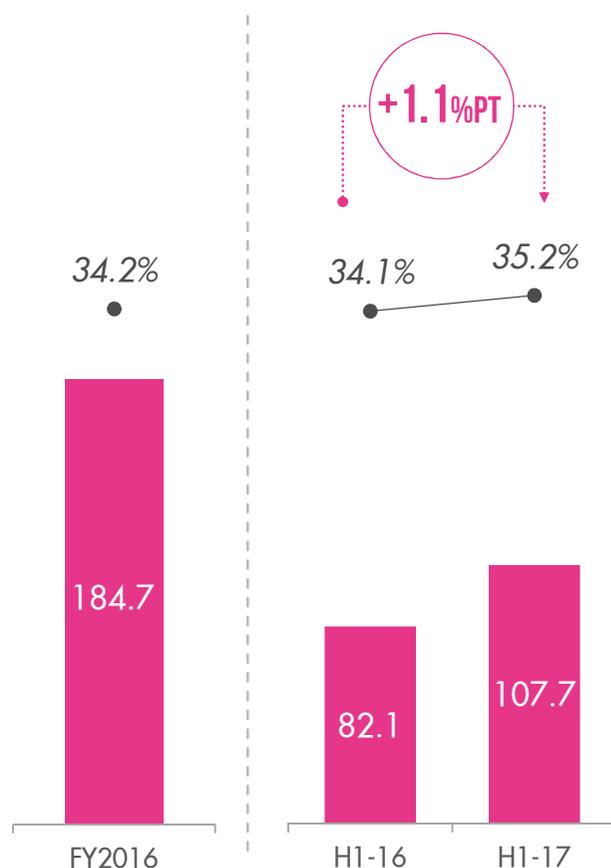


We managed to keep unchanged conversion investments and stabilized our gross margin vs. H2-16

OPERATING LEVERAGE

Opex evolution

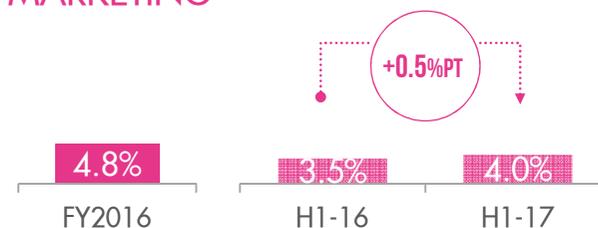
In € million and as % of net revenues



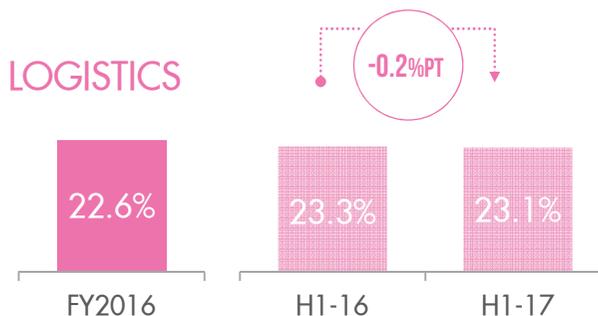
Costs

(as % of net revenues)

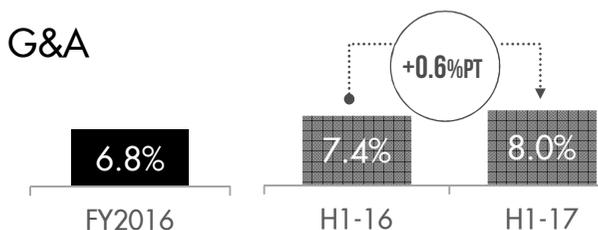
MARKETING



LOGISTICS



G&A



Phasing of marketing expenses of €1.2m (+0.25%PT) initially planned in H2 and brought forward in H1 to secure our future growth (+0.25%PT related to change in perimeter)

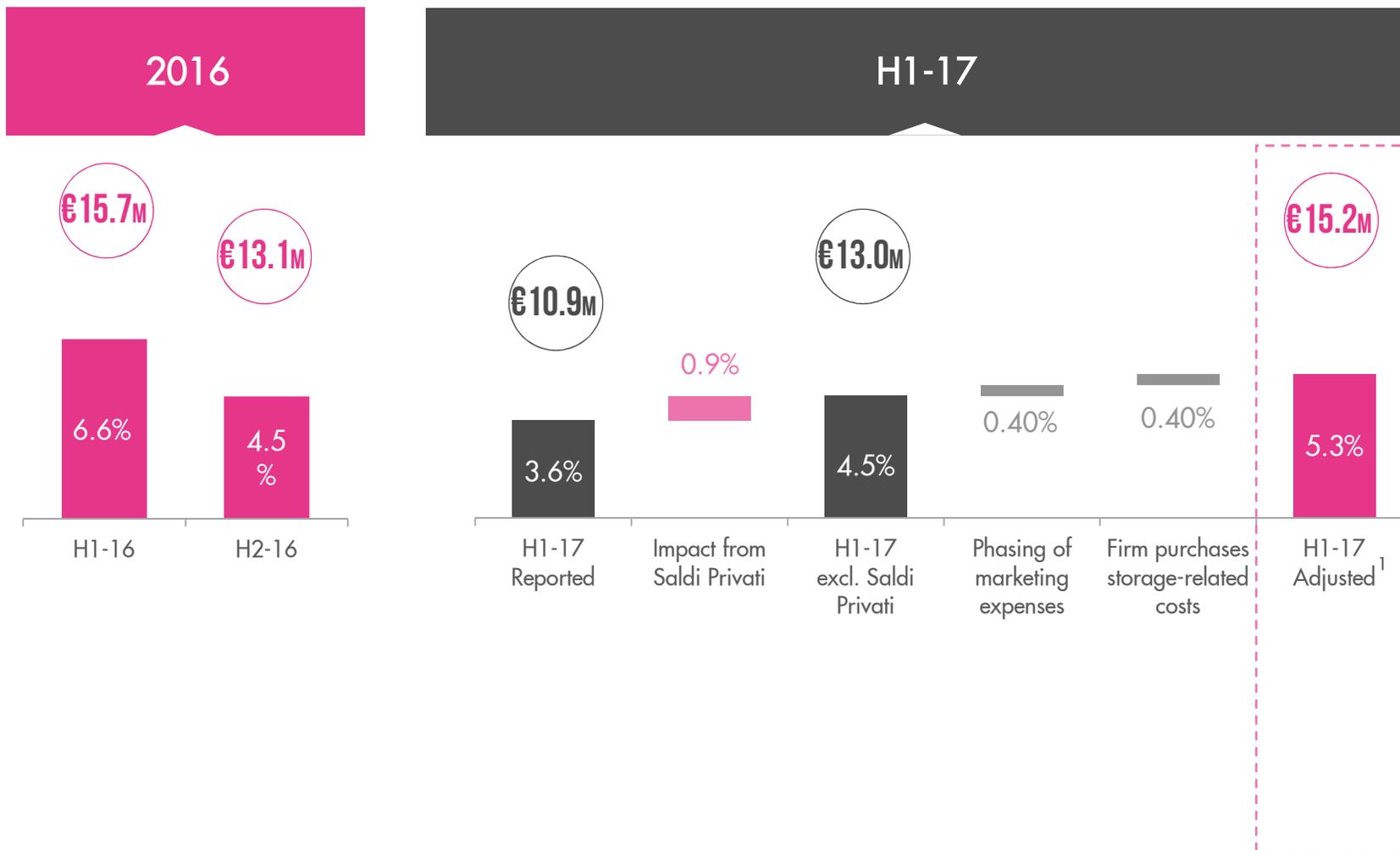
€1m additional storage costs related to firm purchase opportunities seized in H1

Stable at 7.5% excl. Saldi Privati and Beauteprivee

EBITDA EVOLUTION

EBITDA evolution

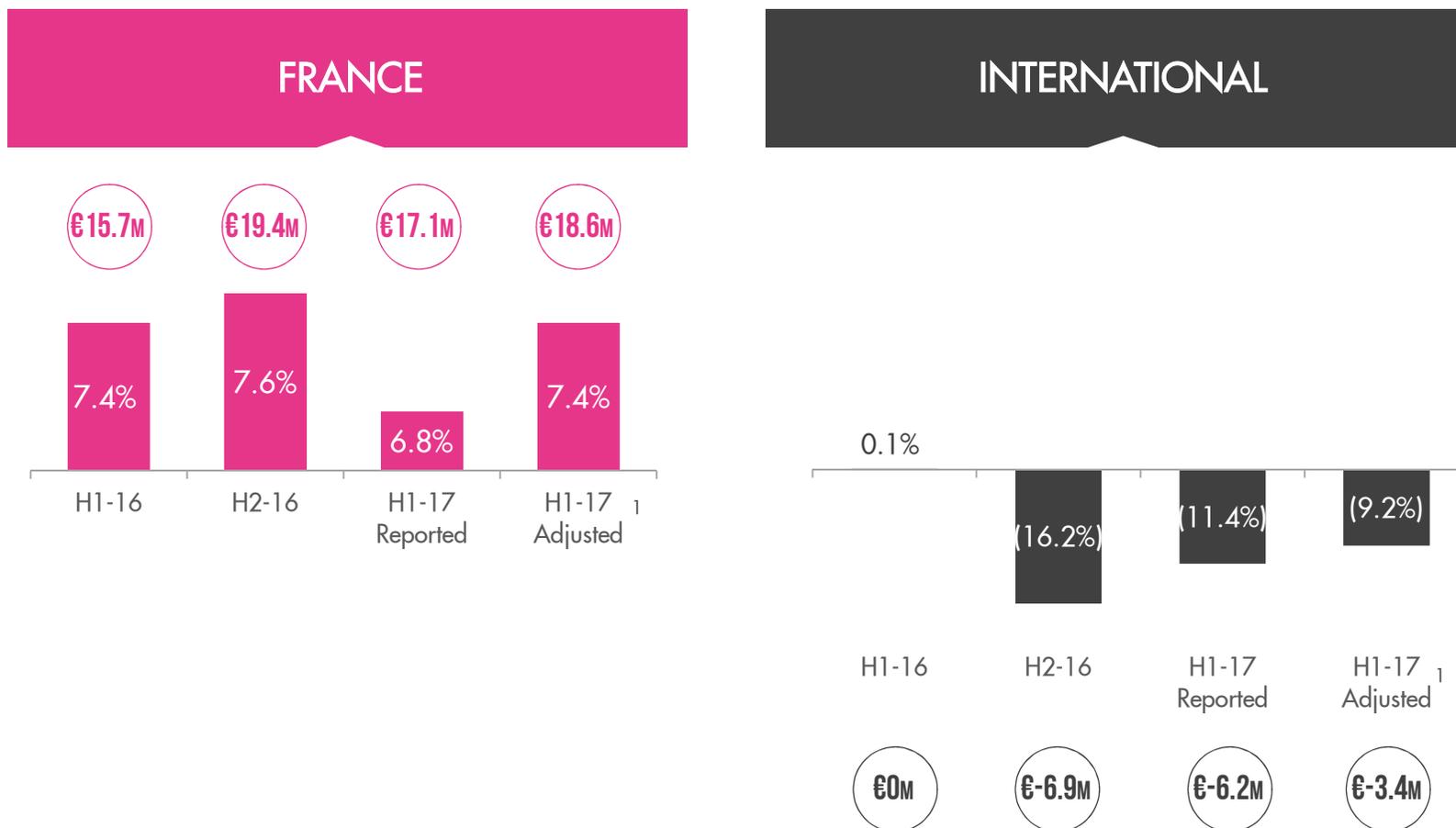
€ million



STABLE EBITDA IN FRANCE

EBITDA evolution

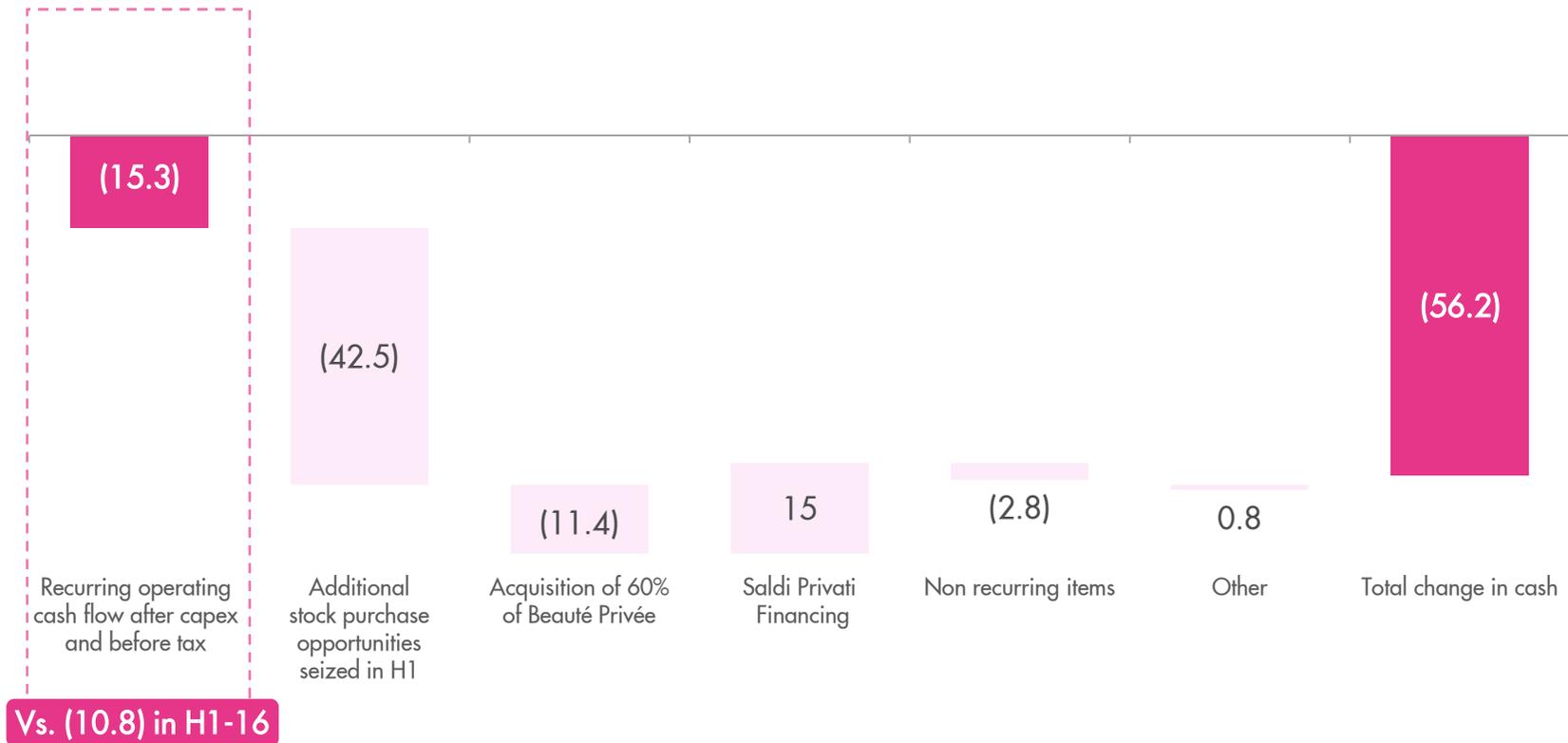
€ million



STABLE RECURRING CASH GENERATION

Recurring cash flow after capex and before tax to net change in cash bridge H1-17

€ million

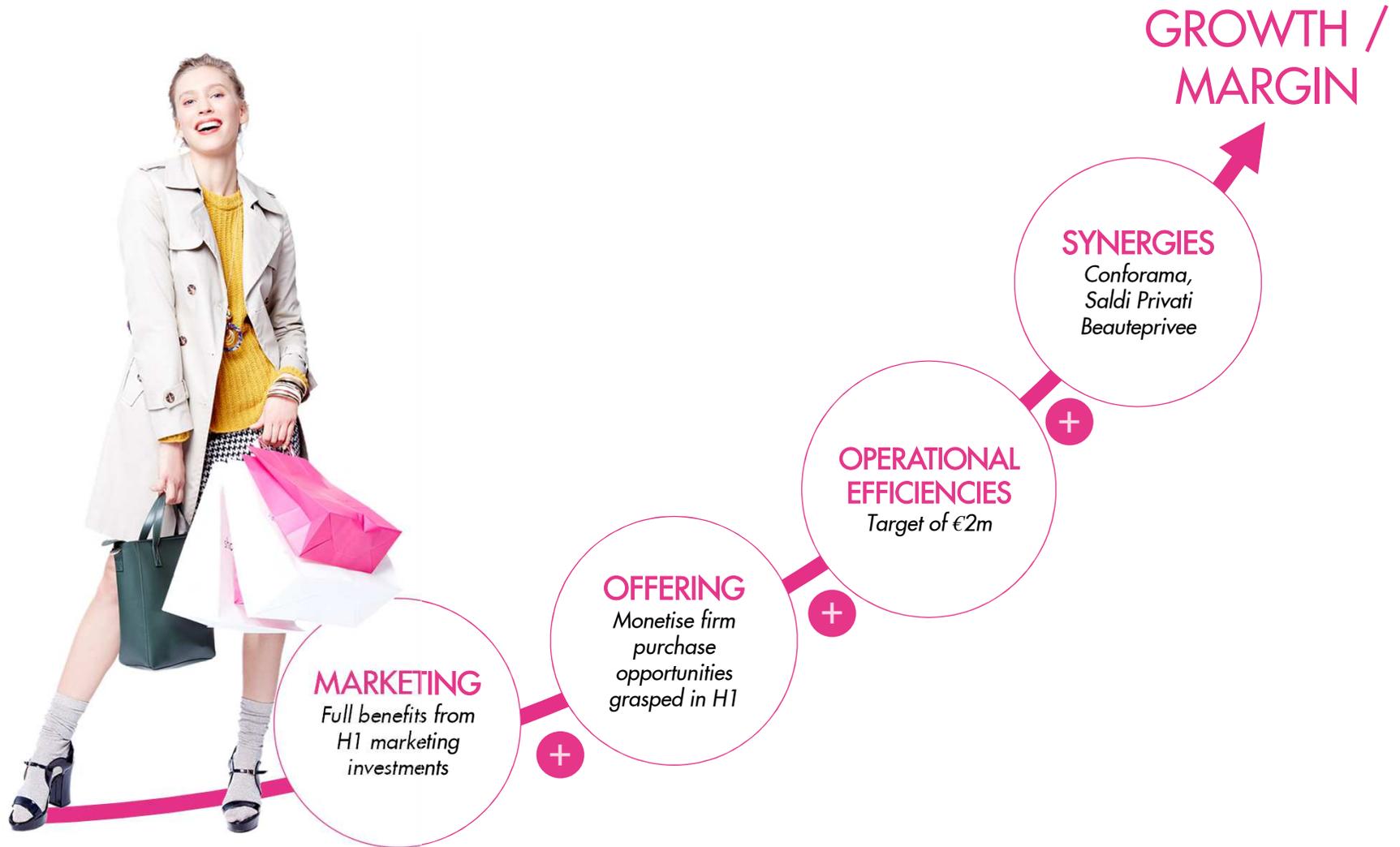




OUTLOOK



OUR PLAN TO BOOST REVENUES & MARGINS IN H2



We stand ready for a strong H2

OUR STRATEGIC INITIATIVES FOR H2

				
AMBITIOUS COMMERCIAL PLAN IN H2	PERSONALIZATION	NEW WAREHOUSE DEDICATED TO OUR SHOES OFFERING	PERSONAL SHOPPER MODULE	NOMINATION OF A DIRECTOR FOR INTERNATIONAL CONTINUED EFFORT TO REINFORCE LOCAL TEAMS
				
DYNAMIC GROWTH	MORE CONVENIENCE	FASTER DELIVERY	MORE ENGAGEMENT	BETTER OFFERING

GUIDANCE SUMMARY

	2017	2020
NET REVENUES (y-o-y growth)	€690-720m (+28% - +33%)	c. €1.1Bn
EBITDA MARGIN	5.5%-6% Excluding Saldi Privati	>7.5%
CASH FLOW	>100% CASH CONVERSION ⁽¹⁾	

¹ Excluding exceptional items



APPENDICES



SELECTED KEY PERFORMANCE METRICS

	2015	2016	% Growth	H1-16	H1-17	% Growth
CUSTOMERS METRICS						
Cumulative Buyers (in thousands)	5,517	6,757	22.5%	6,042	7,292	20.7%
France	4,520	5,562	23.0%	4,960	5,950	20.0%
International	997	1,195	19.9%	1,082	1,342	24.0%
Buyers (in thousands)	2,867	3,234	12.8%	2,003	2,192	9.4%
France	2,389	2,767	15.9%	1,721	1,815	5.5%
International	479	466	-2.6%	282	377	33.4%
Revenue per Buyers	151.1	159.9	5.8%	117.0	124.5	6.4%
France	154.9	164.0	5.8%	119.4	129.9	8.8%
International	132.1	135.7	2.8%	102.6	98.4	-3.9%
ORDERS						
Total orders (in thousands)	11,748	13,605	15.8%	6,027	6,886	14.3%
France	10,043	11,945	18.9%	5,267	5,890	11.8%
International	1,705	1,660	-2.6%	760	996	31.1%
Average Orders per Buyer (in number of orders)	4.1	4.2	2.7%	3.1	3.1	4.4%
France	4.2	4.3	2.7%	3.1	3.2	6.0%
International	3.6	3.6	0.0%	2.7	2.6	-1.8%
Average Basket Size	36.9	38.0	3.0%	38.9	39.6	1.8%
France	36.8	38.0	3.1%	39.0	40.0	2.6%
International	37.1	38.1	2.8%	38.0	37.2	-2.2%

PROFIT & LOSS STATEMENT

(€ thousands)	2015	2016	% Growth	H1-16	H1-17	% Growth
Net revenues	442,832	539,704	21.9%	240,330	306,173	27.4%
Cost of goods sold	263,679	332,027	25.9%	-144,826	-191,765	32.4%
Gross margin	179,153	207,676	15.9%	95,504	114,408	19.8%
Gross margin as % of revenues	40.5%	38.5%		39.7%	37.4%	
Marketing	-26,897	-25,683	-4.5%	-8,371	-12,310	47.1%
As % of revenues	6.1%	4.8%		-3.5%	4.0%	
Logistics & fulfilment	102,650	122,084	18.9%	-55,990	-70,855	26.5%
As % of revenues	23.2%	22.6%		-23.3%	23.1%	
General & administrative expenses	-29,861	-36,887	23.5%	-17,709	-24,558	38.7%
As % of revenues	6.7%	6.8%		-7.4%	8.0%	
Total Opex	159,408	184,654	15.8%	-82,070	-107,723	31.3%
As % of revenues	36.0%	34.2%		-34.1%	35.2%	
Current operating profit	19,745	23,022	16.6%	13,434	6,685	-50.2%
Amortisation of intangible assets recognised upon business reorganisation	-783	-804	2.7%	-391	-753	92.6%
Other operating income and expenses	-8,106	-19,617	142.0%	-10,014	-5,243	-47.6%
Operating profit	10,856	2,601	-76.0%	3,029	689	-77.2%
Net finance costs	-137	-690	403.6%	-234	-249	6.4%
Other financial income and expenses	-106	580	-647.2%	184	90	-51.1%
Profit before tax	10,613	2,491	-76.5%	2,979	530	-82.2%
Income taxes	-5,470	-2,741	-49.9%	-2,274	-740	-67.5%
Net income	5,143	-250	-104.9%	705	-210	-129.7%
EBITDA	23,723	28,251	19.1%	15,742	10,897	-30.8%
EBITDA as % of revenues	5.4%	5.2%		6.6%	3.6%	

Notes: ¹ The group calculates 'EBITDA' as net income before expenses for amortisation, stock options expenses, non-recurring items, cost of financial debt, other financing income and expenses and income taxes

SEGMENTAL INFORMATION

Revenues

(€ thousands)	2015	2016	% Growth	H1-16	H1-17	% Growth
INTERNET REVENUES						
France	370,012	453,729	22.6%	205,499	243,476	18.5%
International	63,236	71,709	13.4%	28,908	54,075	87.1%
Total Internet revenues	433,248	525,438	21.3%	234,406	297,551	26.9%
Other revenues	9,584	14,266	48.9%	5,924	8,622	45.5%
Net revenues	442,832	539,704	21.9%	240,330	306,173	27.4%

EBITDA

(€ thousands)	2015	2016	% Growth	H1-16	H1-17	% Growth
France	30,888	35,141	13.8%	15,719	17,107	8.8%
<i>France EBITDA as a % of revenues</i>	8.1%	7.5%		7.4%	6.8%	
International	-7,165	-6,890	-3.8%	23	-6,210	
<i>International EBITDA as a % of revenues</i>	-11.3%	-9.6%		0.1%	-11.4%	
Total EBITDA	23,723	28,251	19.1%	15,742	10,897	-30.8%
<i>Total EBITDA as a % of revenues</i>	5.4%	5.2%		6.6%	3.6%	

CASH FLOW STATEMENT

<i>(€ thousands)</i>	2015	2016	H1-16	H1-17
Net income for the period	5,143	-250	705	-210
<i>Adjustments for non-cash items</i>	8,640	18,228	11,211	7,157
Cash flow from operations before finance costs and income tax	13,783	17,978	11,916	6,947
<i>Elim of accrued income tax expense</i>	5,470	2,741	2,274	740
<i>Elim of cost of net financial debt</i>	137	690	51	249
<i>Impact of change in working capital</i>	-303	13,608	-25,014	-62,751
Cash flow from operating activities before tax	19,087	35,017	-10,773	-54,815
<i>Income tax paid</i>	-5,141	-2,261	-2,764	-1,218
Cash flow operating activities	13,946	32,756	-13,537	-56,033
Impact of changes in perimeter		-31,751		-8,331
Acquisitions of property plant & equipment and intangible assets	-6,348	-8,400	-3,612	-5,786
Changes in loans and advances	-79	-97	0	-45
Other investing cash flow	19	368	34	-1,017
Net cash flows from investing activities	-6,408	-39,880	-3,578	-15,179
Increase in share capital and share premium reserves	48,888	2,737	847	801
Issuance of indebtedness	0	0	0	15,000
Repayment of borrowings	-1,037	-901	-463	-503
Net interest expense	-137	-690	-51	-249
Net cash flows from financing activities	47,714	1,146	333	15,049

BALANCE SHEET

(€ thousands)	2015	2016	H1-16	H1-17
NON-CURRENT ASSETS				
Goodwill	81,576	102,782	81,576	119,080
Other intangible assets	28,861	39,289	29,276	48,472
Tangible assets	14,833	15,626	14,906	15,558
Other non-current assets	1,180	6,902	1,101	6,978
Total non-current assets	126,450	164,599	126,859	190,088
Current assets				
Inventory	57,068	82,638	62,111	114,555
Accounts receivable	24,014	36,612	29,131	34,839
Deferred tax assets	3,058	3,519	3,215	4,764
Other current assets	27,952	36,915	27,494	24,220
Cash and cash equivalents	102,982	97,004	862	40,841
Total current assets	215,074	256,688	208,151	219,219
Total assets	341,524	421,287	335,010	409,307
Long term financial debt	2,962	2,038	2,499	26,767
Obligations to personnel	116	88	131	88
Deferred taxes	9,883	11,628	955	14,033
Total non-current liabilities	12,961	13,754	1,218	40,888
Short-term financial debt	916	966	916	1,050
Accounts payable	100,108	148,504	84,632	103,359
Other current liabilities	39,492	55,509	41,252	60,016
Total current liabilities	140,516	204,979	126,800	164,425
Total liabilities	153,477	218,733	138,980	205,313
Total shareholders' equity	188,047	202,554	196,031	203,994
Total liabilities and shareholders' equity	341,524	421,287	335,010	409,307

BRIDGE OF GROSS TO NET SALES

(€ thousands)	2015	2016	H1-16	H1-17
Total gross Internet sales¹	591,674	721,606	316,470	397,536
VAT ²	-93,515	-113,472	-49,098	-62,287
Revenue recognition impacts ³	-68,900	-87,497	-35,369	-42,039
Non-interest revenue and other ⁴	13,573	19,067	8,327	12,963
Net revenues (IFRS)	442,832	539,704	240,330	306,173

Notes:

¹ Corresponds to the total amount billed to buyers during a given period

² Value added tax is applied on every sale. The applicable value-added tax rate depends on the country where buyer is located

³ Accounting adjustments for revenue recognition as described in section 1.13 of the Group's annual consolidated financial statements, including: (i) timing differences due to the fact that certain criteria must be fulfilled before recognising revenue; (ii) the impact of reimbursements granted for cancellations and return which are recognised as a reduction of the revenue; and (iii) the effect of presenting certain travel sales on a net basis where the Group acts as an agent

⁴ Non-internet sales corresponds primarily to revenues generated from offline sales to wholesalers, including offline re-sales of returned Internet sales items



showroomprive.com