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**H1 2019**  
**RESULTS**

25 JULY 2019



# H1 2019 KEY BUSINESS HIGHLIGHTS

# KEY BUSINESS HIGHLIGHTS

## H1 RESULTS DOESN'T COMPROMISE THE STRATEGIC FOCUS OF OUR PERFORMANCE PLAN

- Results significantly impacted by non-recurring items
  - Revenues down 4.3% (Internet activities down 3.0%)
  - EBITDA loss of 23.2 million euros, in line with estimations given at the end of June
  - Unharmed brand attractiveness with clear resilience of key customer performance indicators in a context of marketing and workforce optimisation

## MAJOR DEVELOPMENTS DURING THIS FIRST PART OF YEAR

- Enrichment of online platform and user experience with new features
- Rise of a new type of offering : Dropshipping at 12% of gross revenues (up +5pts vs. H1 2018)
- International footprint rationalisation
- Acquisition of residual 40% stake in Beauteprimee
- Continued progress in Carrefour partnership with synergies roll-out development
- François de Castelnau new CFO of Showroomprivé

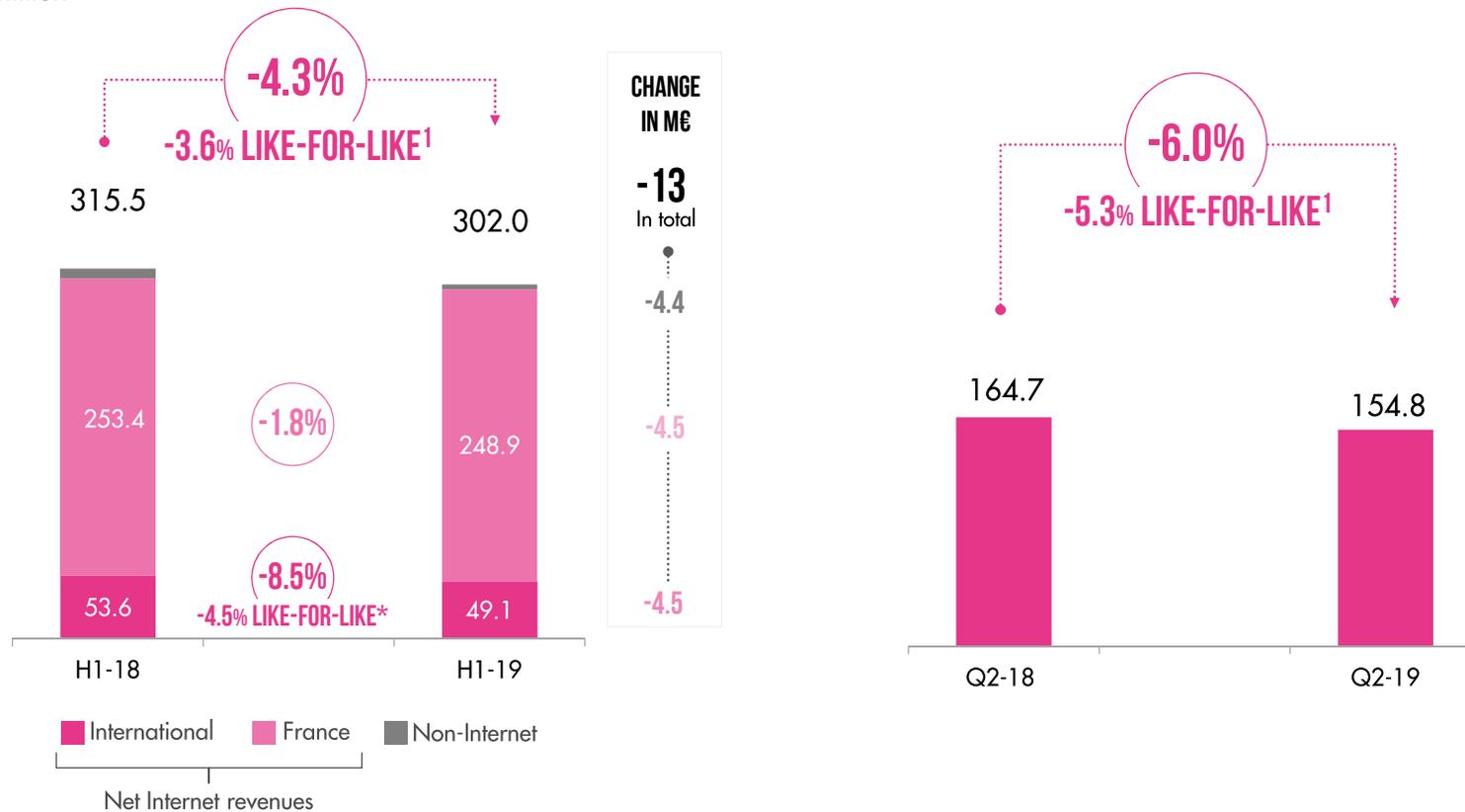


# H1-2019 FINANCIAL RESULTS

# NEGATIVE REVENUE PERFORMANCE MAINLY IMPACTED BY UNDERPENETRATED ACTIVITIES

## Revenues breakdown

€ million



More than €-8M impact from international market rationalisation, historical physical wholesale business, and isolated lack of commercial opportunity of SRP Media

# IDENTIFIED AND PUNCTUAL CAUSES

**-4.3%PTS**  
In H1-19  
**FROM IDENTIFIED  
& PUNCTUAL  
CAUSES**

## IMPACT FROM UNDERPENETRATED ACTIVITIES

### INTERNATIONAL RATIONALISATION IMPACT

Closing of BtC activities in Germany, Poland and multi-currency websites

**-0.7%PT**  
**IMPACT**

## PUNCTUAL LACK OF COMMERCIAL OPPORTUNITIES

### SRP MEDIA

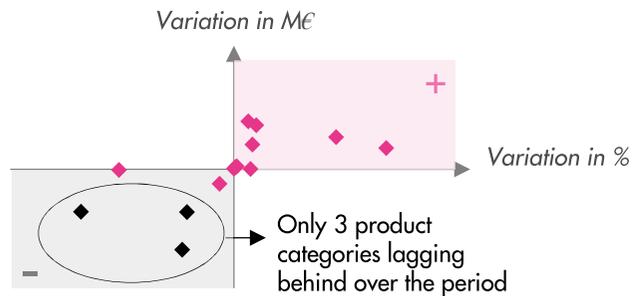
Lack of major advertiser campaigns in H1-19 compared to 2018

**-0.8%PT**  
**IMPACT**

*Retreated from those campaigns, SRP Media grew by +8%*

## DIFFICULTIES CIRCUMSCRIBED TO A FEW NUMBER OF PRODUCT CATEGORIES (H1-19 VS. H1-18)

More selectivity and commercial teams reorganisation



## WHOLESALE

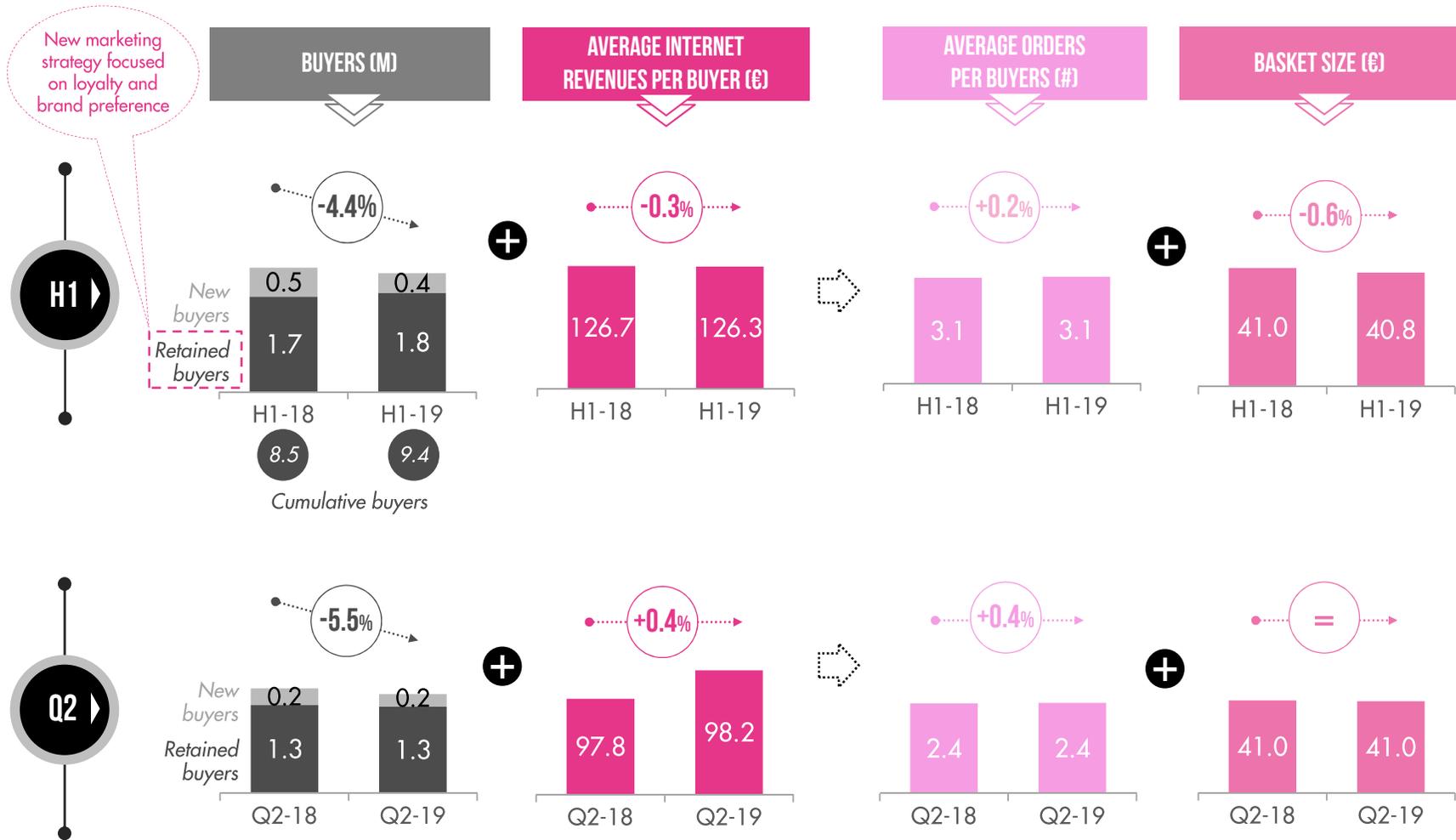
Low commercial traction due to delayed returns' logistic treatment  
+ Weak overall wholesale market over the period

**-1.2%PT**  
**IMPACT**

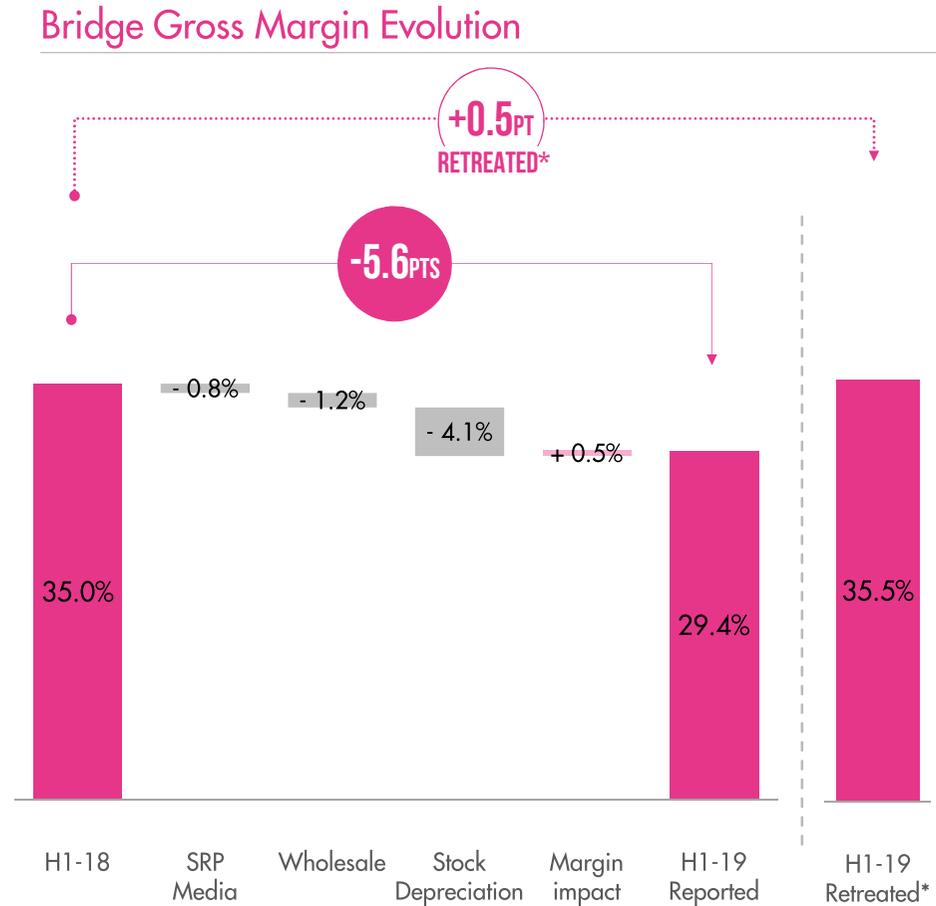
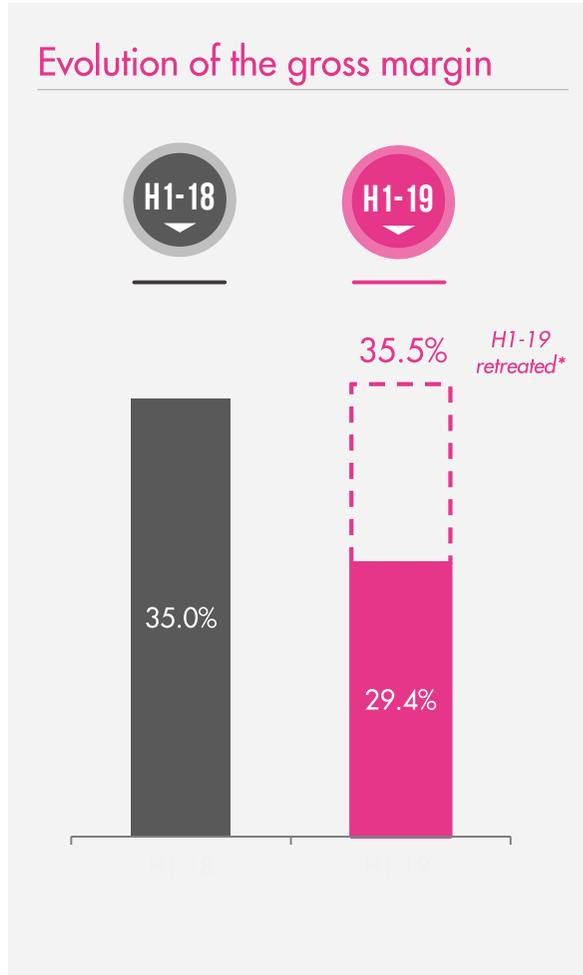
**-2.7 points revenue performance impact from closed International markets, major advertising campaigns not repeated in 2019 and wholesale activity**

# RESILIENT CUSTOMER METRICS SUSTAINED BY LOYAL BUYERS

## Customer KPIs



# GROSS MARGIN EVOLUTION

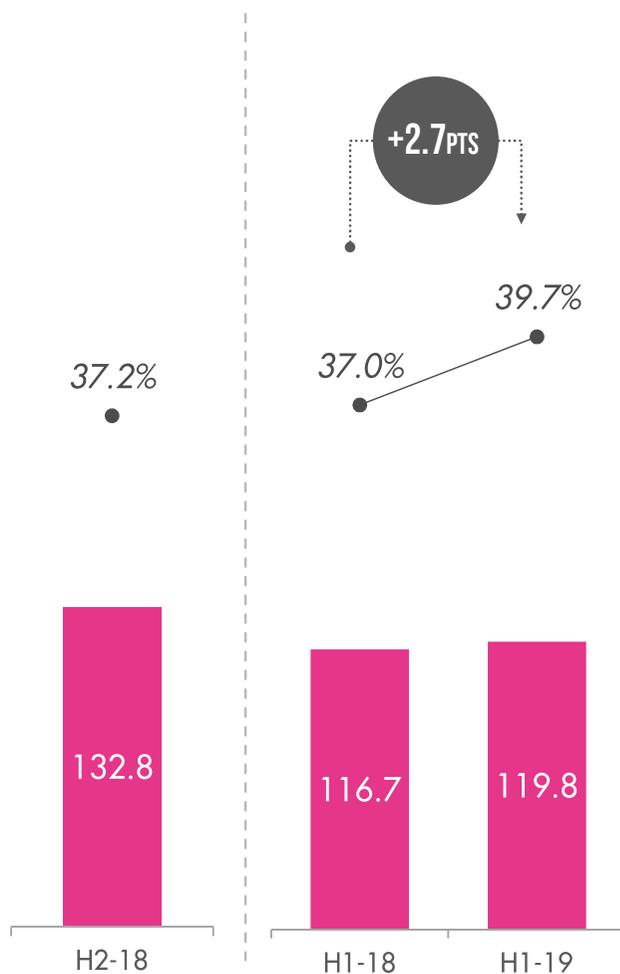


Positive signals from improved gross margin rate offset by identified and punctual issues

# COST STRUCTURE OVERVIEW<sup>1</sup>

## Opex evolution

In € million and as % of net revenues



## Costs

In € million and as % of net revenues



# COST STRUCTURE IN DETAIL<sup>1</sup>

PERFORMANCE  
2018-2020.

COST OPTIMISATION PLAN ► IN PROGRESS



## MARKETING

- Optimization of marketing investments down by c.1/3 y-o-y
- Focus on engagement of existing members base

-1.2M€

-0.2%PT

AS % OF REVENUES



## LOGISTICS & FULFILMENT

- + Limitation of firm sales (-6pts vs. H1-18)
- + Refocusing and rationalization on international key markets
- + Savings on productions with an optimized process (- 0.5pt)
- Higher levels of temporary workers to boost management of returns and reduce the level of inventories
- Opening of new warehouse dedicated to furnishing activity
- Impact from the dropshipping ramp-up phase (+5pts contribution at c.12% of revenues)

+2.7M€

+1.9%PT

AS % OF REVENUES



## G&A

Mainly made of:

- Work-force adjustment (€1.4M savings)
- €-0.3M impact from integration of Beautepriivee
- €-0.9M increase in D&A
- €-2.3M of non cash provisions

+1.6M€

+0.9%PT

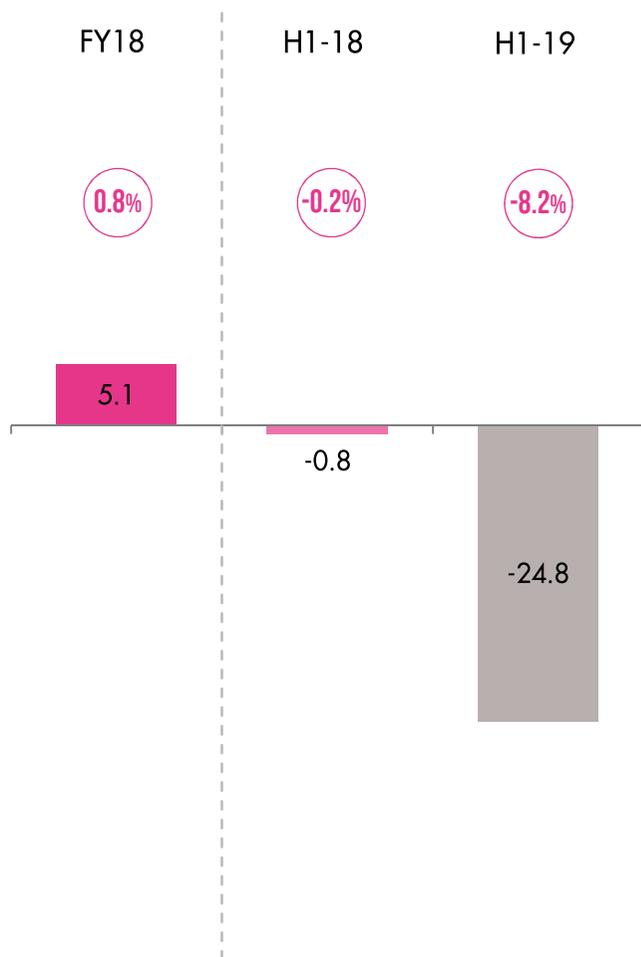
AS % OF REVENUES



# EBITDA EVOLUTION<sup>1</sup>

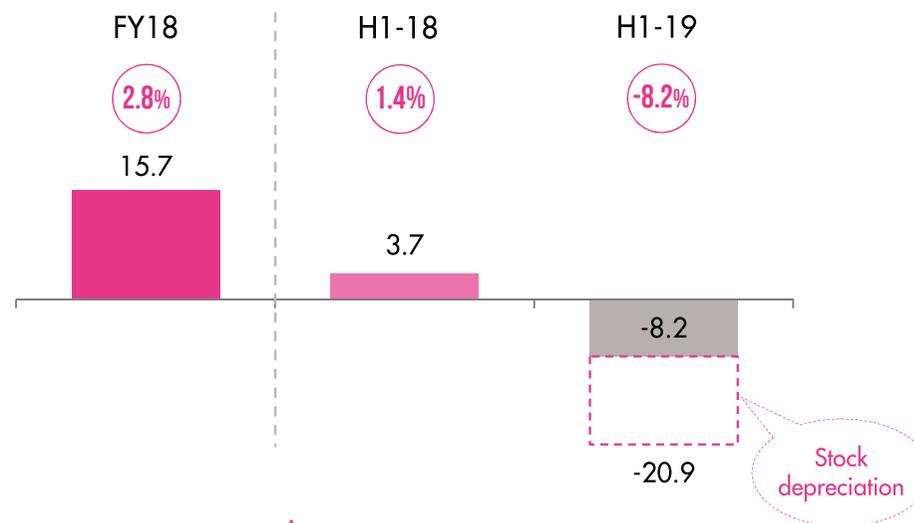
## EBITDA Group

In € million and as % of net revenues



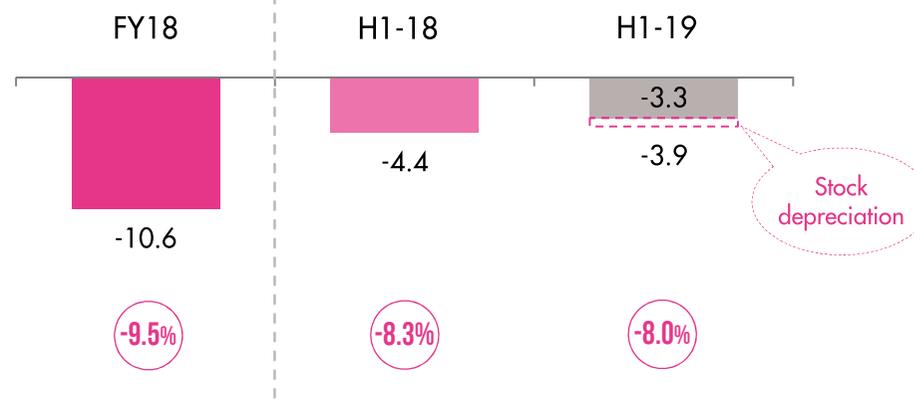
## EBITDA France

In € million and as % of net revenues



## EBITDA International

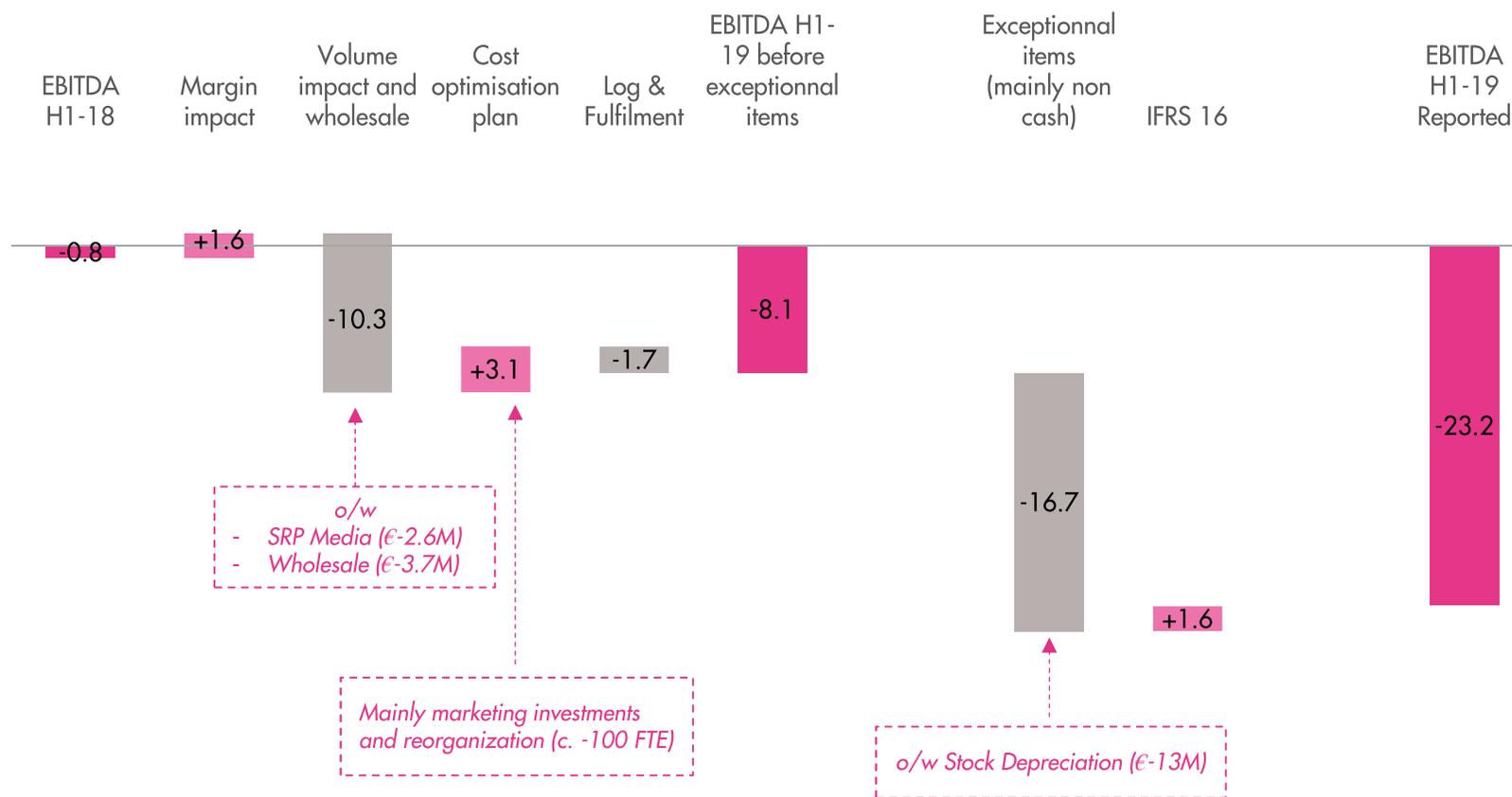
In € million and as % of net revenues



# EBITDA EVOLUTION

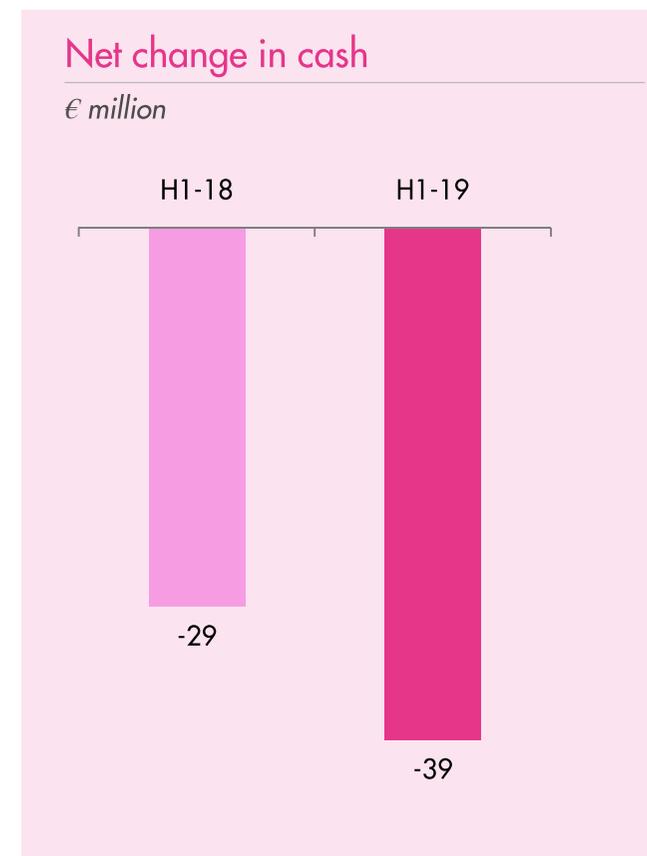
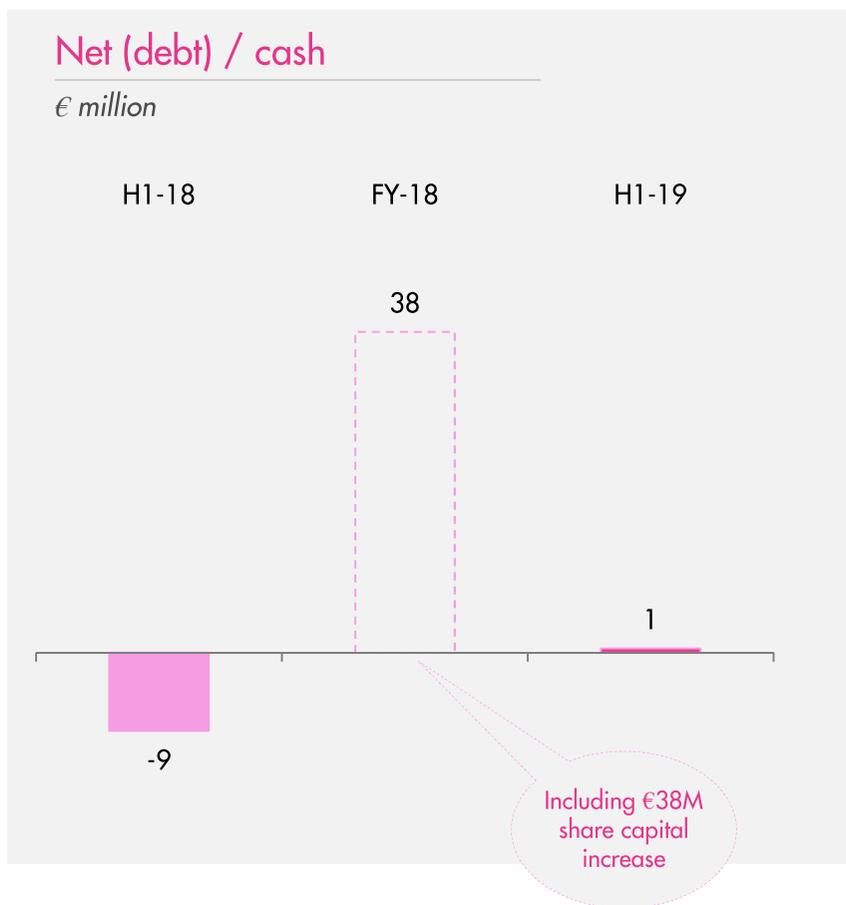
## Bridge EBITDA Evolution H1-18 to H1-19

In € million



€-8M EBITDA before exceptional (mainly non-cash) items and IFRS 16

# CASH POSITION EVOLUTION<sup>1</sup>



**€39M cash consumption over H1 2019**

# EBITDA CONVERSION IN CASH

## EBITDA to net change in cash – H1-18 & H1-19

€ million

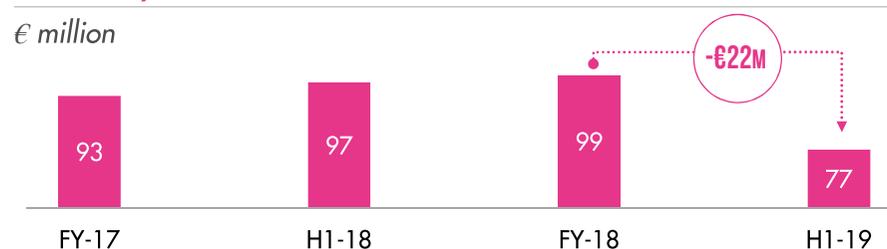
	H1-18	H1-19	
<b>EBITDA</b>	<b>(0.8)</b>	<b>(23.2)</b>	
● Change in WC	(15.7)	7.8	More discipline in firm purchases (c-40% in H1) and inventory rationalisation
Capex	(7.6)	(8.0)	Including €4M related to the Group's future warehouse (1.3% of net revenues retreated from investments related to the opening of the Group's new warehouse)
<b>Op. cash flow after capex &amp; before tax</b>	<b>(24.1)</b>	<b>(23.4)</b>	
M&A	(2.3)	(22.3)	Acquisition of 40% residual stake in Beauteprimee in April 2019
New financial debt	-	20.0	o/w €20M short term bank facilities
Other	(2.5)	(13.6)	Mainly made of restructuring costs, tax impact, and discontinuation of a project that has ceased to be of a strategic value
<b>Net change in cash</b>	<b>(28.9)</b>	<b>(39.3)</b>	
<b>GROSS CASH POSITION JUNE.30th</b>	<b>22</b>	<b>41</b>	

Change in Working capital includes €22M positive impact from inventory rationalisation (depreciation included despite its non-cash nature by definition)

Retreated from the non-cash inventory depreciation, change in working capital would have been negative €-5M vs. €-15.7M in H1 2018

### Inventory rationalisation

€ million

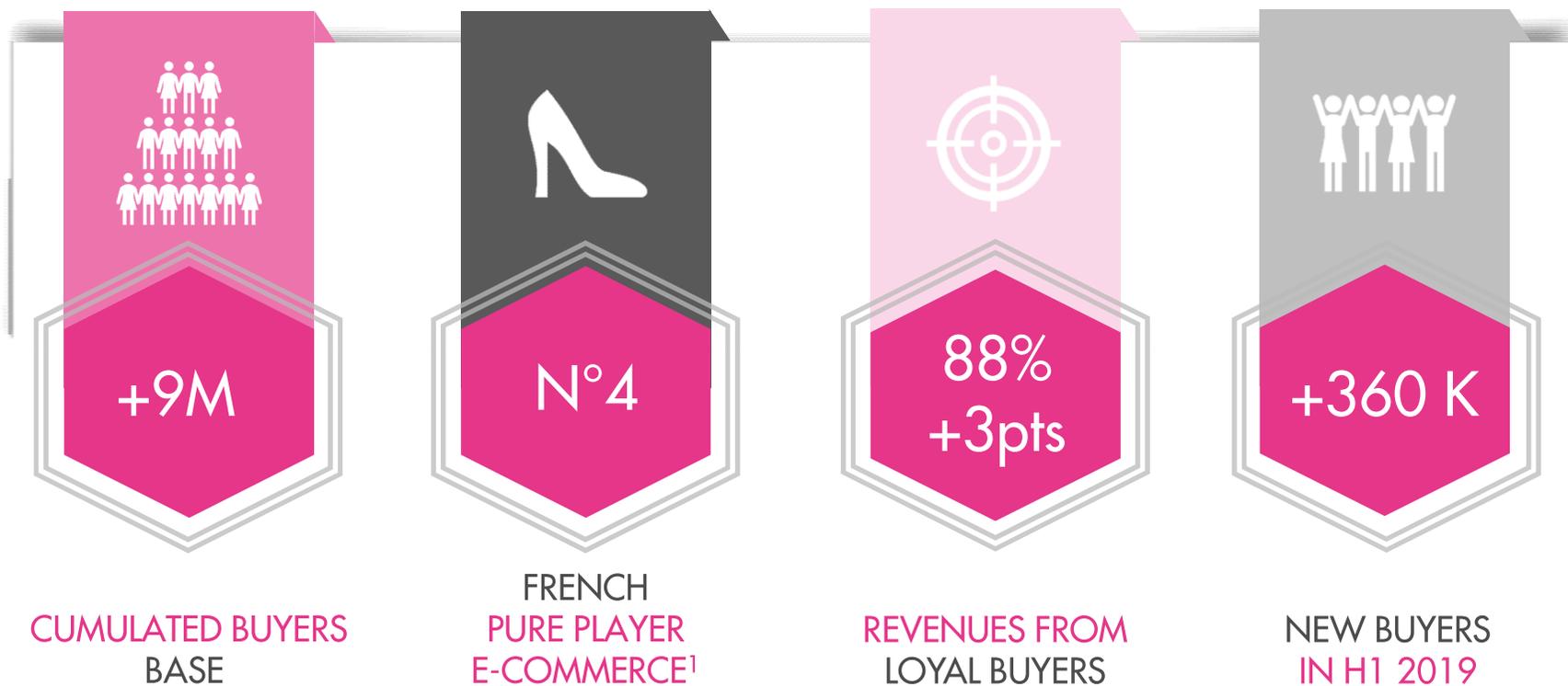


**€23M operating cash flow consumption after capex in H1 2019**



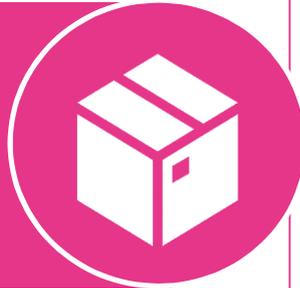
# OUTLOOK H2-2019

# SHOWROOMPRIVÉ BRAND ATTRACTIVENESS IS UNHARMED



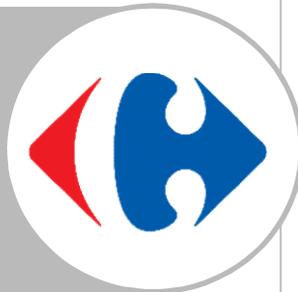
# ONGOING STRATEGIC DEVELOPMENTS

## LOGISTICS



- ✓ New warehouse facility opening in Q4 with greater efficiency and cost per order reduction
  - Provision of building and installation of facilities
  - Implementation of the mechanisation tool and test phase according to schedule

## PARTNERSHIP WITH CARREFOUR



- ✓ 1.2 M packages collected at Carrefour stores at a preferential rate of €1.99
- ✓ Progress in the supply of Carrefour's outlet offer with a first clearance test approved
- ✓ Commercial calendar rich of upcoming operations
- ✓ Launch of the first data campaign in Q3/Q4

# SOUND AND SOLID BASIS STRUCTURED FOR A PROFITABLE H2



## STRONG SEASONALITY IN H2



## STREAMLINED INVENTORIES



## POSITIVE IMPACT OF OPEX OPTIMISATION EFFORTS

- Simplification of the organisation and productivity gain
- Stronger effect from decrease in headcount and marketing investments optimisation



## RATIONALISE AND IMPROVE LOGISTIC CAPABILITIES

- Establishment of standardized dashboards and Business Intelligence tools including return rates monitoring
- Strengthen the team with senior and expert profiles
- Implementation of a new logistic IT system (Warehouse Management System)
- Opening of our new owned warehouse
- Ramp-up of dropshipping offering



## KEEP WORKING IN RESTORING GROSS MARGIN

- Global revision of commercial terms & conditions
- Reinforcement of high margin businesses, notably SRP Media, and travel with the launch of a new dedicated IT System
- Acceleration of IRL (SRP private label)

Return to profitability in H2



IV

# APPENDIX

# SELECTED KEY PERFORMANCE METRICS

	2017	2018	% Growth	H1-18	H1-19	% Growth
<b>CUSTOMERS METRICS</b>						
Cumulative buyers (in thousands)	7,947	9,031	13.6%	8,474	9,394	
<i>France</i>	6,442	7,200	11.8%	6,793	7,462	
<i>International</i>	1,505	1,831	21.7%	1,682	1,932	
Buyers (in thousands)	3,555	3,481	-2.1%	2,266	2,166	-4.4%
<i>France</i>	2,817	2,783	-1.2%	1,823	1,747	-4.2%
<i>International</i>	738	698	-5.4%	443	420	-5.4%
Revenue per Buyers (€)	169.9	176.0	3.6%	126.7	126.3	-0.3%
<i>France</i>	175.2	180.3	2.9%	128.4	128.9	0.3%
<i>International</i>	149.7	159.1	6.3%	119.5	115.4	-3.5%
<b>ORDERS</b>						
Total orders (in thousands)	15,687	15,085	-3.8%	7,001	6,708	-4.2%
<i>France</i>	12,921	12,232	-5.3%	5,636	5,443	-3.4%
<i>International</i>	2,766	2,854	3.2%	1,365	1,266	-7.3%
Average Orders per Buyer (in number of orders)	4.4	4.3	-1.8%	3.1	3.1	0.2%
<i>France</i>	4.6	4.4	-4.2%	3.1	3.1	0.8%
<i>International</i>	3.7	4.1	9.1%	3.1	3.0	-2.0%
Average Basket Size	38.5	40.6	5.5%	41.0	40.8	-0.6%
<i>France</i>	38.2	41.0	7.4%	41.5	41.4	-0.4%
<i>International</i>	40.0	38.9	-2.6%	38.8	38.2	-1.5%

Note: All KPIs exclude Beauteprivee

# PROFIT & LOSS STATEMENT

(€ thousands)	2017	2018	% Growth	H1-18	H1-19	% Growth
Net revenues	654,971	672,233	2.6%	315,477	302,043	-4.3%
Cost of goods sold	-416,003	-428,465	3.0%	-205,075	-213,330	4.0%
Gross margin	238,967	243,769	2.0%	110,402	88,713	-19.6%
Gross margin as % of revenues	36.5%	36.3%	-0.2pt	35.0%	29.4%	-5.6pts
Marketing <sup>1</sup>	-34,420	-34,551	0.4%	-13,326	-12,101	-9.2%
As % of revenues	5.3%	5.1%		4.2%	4.0%	
Logistics & fulfilment	-150,497	-157,895	4.9%	-74,673	-77,364	3.6%
As % of revenues	23.0%	23.5%		23.7%	25.6%	
General & administrative expenses	-50,802	-56,976	12.2%	-28,657	-30,305	5.8%
As % of revenues	7.8%	8.5%		9.1%	10.0%	
Total Opex	-235,719	-249,422	5.8%	-116,656	-119,770	2.7%
As % of revenues	36.0%	37.1%	1.1pt	37.0%	39.7%	2.7pts
Operating profit before cost of share-based payments and other operating and income and expenses	3,249	-5,653	n.a.	-6,254	-31,057	n.a.
Other operating income and expenses	-10,586	-681	-93.6%	915	-12,802	n.a.
Operating profit	-7,337	-6,334	-13.7%	-5,339	-43,859	n.a.
Net finance costs	-178	-224	25.8%	-230	-210	-8.7%
Other financial income and expenses	-408	-77	-81.1%	214	4	n.a.
Profit before tax	-7,923	-6,636	-16.3%	-5,354	-44,064	n.a.
Income taxes	2,689	2,280	-15.2%	-1,129	2,645	n.a.
Net income	-5,234	-4,356	-16.8%	-6,483	-41,420	n.a.
EBITDA <sup>2</sup>	13,063	5,120	-60.8%	-773	-23,164	n.a.
EBITDA as % of revenues	2.0%	0.8%	-1.2pt	-0.2%	-7.7%	-7.4pts

Note:

(1) In accordance with AMF recommendations, amortization of intangible assets booked upon business combinations are now included in current operating profit within marketing expenses

(2) The group calculates 'EBITDA' as net income before expenses for amortization, stock options expenses, non-recurring items, cost of financial debt, other financing income and expenses and income taxes

# SEGMENTAL INFORMATION

## Revenues

(€ thousands)	2017	2018	% Growth	H1-18	H1-19	% Growth
<b>INTERNET REVENUES</b>						
France	518,712	546,223	5.3%	253,416	248,888	-1.8%
International	111,169	112,302	1.0%	53,603	49,070	-8.5%
Total Internet revenues	629,882	658,526	4.5%	307,018	297,958	-3.0%
Other revenues	25,089	13,708	-45.4%	8,458	4,085	-51.7%
Net revenues	654,971	672,233	2.6%	315,477	302,043	-4.3%

## EBITDA

(€ thousands)	2017	2018	% Growth	H1-18	H1-19	% Growth
France	25,722	15,739	-38.8%	3,674	-19,503	n.a.
France EBITDA as % of revenues	4.7%	2.8%	-1.9pt	1.4%	-7.7%	-9.1pts
International	-12,659	-10,619	16.1%	-4,447	-3,661	17.7%
International EBITDA as % of revenues	-11.4%	-9.5%	1.9pt	-8.3%	-7.5%	0.8pt
Total EBITDA	13,063	5,120	-60.8%	-773	-23,164	n.a.
Total EBITDA as % of revenues	2.0%	0.8%	-1.2pt	-0.2%	-7.7%	-7.4pts

# CASH FLOW STATEMENT

<i>(€ thousands)</i>	2017	2018	H1-18	H1-19
Net income for the period	-5,234	-4,355	-6,483	-41,420
<i>Adjustments for non-cash items</i>	11,946	5,542	1,165	10,026
Cash flow from operations before finance costs and income tax	6,712	1,187	-5318	-31,394
<i>Elim of accrued income tax expense</i>	-2,689	-2,280	1,129	-2,646
<i>Elim of cost of net financial debt</i>	178	224	93	210
<i>Impact of change in working capital</i>	-37,627	5,533	-15,669	7,826
Cash flow from operating activities before tax	-33,426	4,664	-19,765	-26,004
<i>Income tax paid</i>	-4,812	2,046	1,035	-2,700
Cash flow from operating activities	-38,238	6,710	-18,730	-28,703
Impact of changes in perimeter	-8,331	0	0	-22,317
Acquisitions of property plant & equipment and intangible assets	-12,474	-18,306	-7,571	-10,835
Changes in loans and advances	-32	84	-34	-137
Other investing cash flows	43	292	-2,320	2,834
Net cash flows from investing activities	-20,794	-17,930	-9,925	-30,455
Capital increase	0	37,978	0	0
Transaction on own shares	-1,641	-183	71	-94
Increase in share capital and share premium reserves	805	39	11	2
Issuance of indebtedness	22,500	21,700	21	22,221
Repayment of borrowings	-8,569	-18,595	-568	-1,990
Net interest expense	-183	-202	254	-237
Net cash flows from financing activities	12,912	40,737	-211	19,902
Net change in cash	-46,126	29,527	-28,861	-39,253

# BALANCE SHEET

<i>(€ thousands)</i>	2017	2018	H1-18	H1-19
<b>NON-CURRENT ASSETS</b>				
Goodwill	123,685	123,685	123,685	123,685
Other intangible assets	49,789	53,271	51,558	55,566
Tangible assets	16,606	20,762	16,899	39,742
Other non-current assets	6,906	6,813	4,529	8,695
Total non-current assets	196,991	204,531	196,671	227,688
<b>CURRENT ASSETS</b>				
Inventory	92,945	99,061	96,871	77,237
Accounts receivable	53,001	32,005	50,788	20,386
Deferred tax assets	7,934	4,938	5,575	3,765
Other current assets	45,434	37,325	33,258	36,163
Cash and cash equivalents	50,878	80,409	22,017	41,152
Total current assets	250,192	253,738	208,509	178,704
Total assets	447,183	458,270	405,180	406,392
<b>NON-CURRENT LIABILITIES</b>				
Long term financial debt	28,830	19,505	16,090	38,203
Obligations to personnel	52	101	52	101
Other provisions	5,368	545	0	520
Deferred taxes	9,616	5,182	9,704	1,773
Other non-current liabilities	0	0	17	0
Total non-current liabilities	43,866	25,333	25,863	40,597
<b>CURRENT LIABILITIES</b>				
Short-term financial debt	1,144	22,723	15,184	23,212
Accounts payable	144,246	140,316	118,630	112,268
Other current liabilities	61,184	46,647	55,311	49,425
Total current liabilities	206,574	209,686	189,125	184,905
Total liabilities	250,440	235,019	214,988	225,502
Total shareholders' equity	196,743	223,250	190,192	180,890
Total liabilities and shareholders' equity	447,183	458,270	405,180	406,392

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This document may contain forward-looking information and statements about the Group and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of the Group’s securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Group, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in filings with the *Autorité des Marchés Financiers* made or to be made by the Group. The Group undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

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**THANK**  
**YOU**

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