

FIRST HALF 2021: STRONG GROWTH IN THE FIRST HALF**REVENUE: €388.3M (+28.3%)****EBITDA: €33.0M (+368%), 8.5% MARGIN****NET INCOME LARGELY POSITIVE: €20.6M**

La Plaine Saint Denis, 29 July 2021 – Showroomprivé (SRP Groupe), a leading European online retailer for the Digital Woman, announces strong growth in its earnings for the first half, ended 30 June 2021.

Strong revenue and profitability growth in H1 2021, including 13.7% in Q2 2021**Strong growth of the activity (+28.3%) driven by the core business (+29.2% of the online sales)**

- Confirmation of the success of strategic repositioning measures and the revitalisation of the offer (attractiveness, new brands);
- High level of loyalty from members and continued momentum in acquiring new buyers;
- Ramp-up of new growth drivers led by a remarkable performance by SRP Media and launch of the Marketplace.

EBITDA¹ of €33.0 million, vs €7.0 million in H1 2020

- Strong increase in gross margin to 40.6% (vs 37.1% in H1 2020) in line with the trend in the second half of 2020 (continued business selectivity, better management of returns to suppliers and stocks, continued transition of the model to dropshipping);
- Good control of operating expenses (marketing, logistics, administration) at 34.2% of revenues (down 3.5 points vs H1 2020) offering a good operating leverage.

Net income of €20.6 million, already higher than for the full year in 2020**Sound and strengthened financial structure**

- Shareholders' equity of €198.1 million, strengthened by 2020 earnings;
- Gross cash of €108.8 million, with positive free cash flow of €16.5 million driven by a good operating cash flow generation of €23.1 million;
- Repayment of the €35 million state-guaranteed loan in June 2021;
- Net cash of €27.9 million as at 30 June 2021 (€45.2 million excluding IFRS 16 lease liabilities).

Outlook and confirmed ambitions for a profitable growth in 2021

- Strengthen our model in the face of a more demanding comparison base in the very short term;
- Capitalise on an enduringly powerful asset: a unique base of approximately 25 million members in total and our ability to convert them into buyers;
- Continue to broaden our brand portfolio whilst maintaining a high level of selectivity;
- Accelerate the development of growth drivers, highly EBITDA generative, such as SRP Media, the new Marketplace and SRP Studio;
- Maintain strict control and continue the optimisation of operating expenses.

¹ EBITDA, according to the definition used by the Company, is obtained by deducting from net income: the amortisation of assets recognised following a business combination; amortisation and depreciation of intangible assets and property, plant and equipment; the costs of share-based payments, including the expense arising from expensing the fair value of bonus shares and stock options granted to employees over the vesting period; other non-recurring operating income or expenses, net cost of debt and other financial income and expenses, and the tax expense for the year.

H1 2021 KEY FIGURES

(€ million)	H1 2020	H1 2021	Variation	% variation
Net revenues	302.7	388.3	+85.5	+28.3%
Total Internet revenues	298.2	385.1	+84.5	+29.2%
Gross margin	112.4	157.6	+45.2	+40.2%
as % of revenues	37.1%	40.6%	-	+3.5pts
Operating expenses	114.0	132.6	+18.6	+16.3%
as % of revenues	37.7%	34.2%	-	-3.5pts
EBITDA	7.0	33.0	+25.9	+367.9%
EBITDA margin as % of revenues	2.3%	8.5%	-	+6.2pts
Net income/(loss)	-6.6	20.6	+27.2	N.A.

Showroomprivé co-founders and co-CEOs Thierry Petit and David Dayan commented on these results:

“We have enjoyed an excellent first half of the year, in a persistently favourable environment for e-commerce, with an EBITDA margin of over 8% for the second consecutive half-year. We would like to congratulate our teams for their commitment and their ability to adapt to a shifting economic climate. Our strategic initiatives continue to pay off, both commercially with the renewed confidence of prestigious partner brands and in terms of operational efficiency.

We have also used this half-year to continue to develop our new growth drivers, which will help increase profitability in the short and medium terms. SRP Media, whose purpose is to monetise the value of our membership and buyer assets, is growing as expected. The results of the marketplace, launched early in the year, are in line with our expectations, which were deliberately cautious in order to adjust our model in this area before stepping up the pace of its development over the coming half-years.

In a climate obviously characterised by more muted growth, due largely to the recovery of consumption in bricks and mortar outlets, but also to reduced availability of stocks among our partners, we plan to continue focusing our efforts on keeping our operating expenses on a tight rein in order to maintain a robust economic performance over the long term. All our teams are focused on this goal of creating sustainable value.”

DETAILED COMMENTS BY INDICATOR TYPE

Revenues

(€ thousand)	H1 2020	H1 2021	Variation
Internet revenues			
France	252,749	322,262	+27.5%
International	45,433	62,865	+38.4%
Total Internet revenues	298,181	385,127	+29.2%
Other revenues	4,552	3,145	-30.9%
Net revenues	302,733	388,272	+28.3%

Net revenues for the first half of 2021 were up by a sharp 28.3% compared with the first half of 2020 at €388.3 million. After a stellar first quarter, the Group managed to deliver double-digit growth (+13.7%) in the second quarter despite a more demanding comparison base, confirming the strong momentum and an offer that matches customers' expectations.

Online sales in **France** amounted to €322.3 million, up 27.5% over the half-year, driven by the core business of internet sales and thanks to the development of new growth drivers, including a good performance by SRP Media. The sanitary situation obviously had an impact on the ticketing/travel segment, where revenues remained low over the half-year. However, the activity picked up towards the end of the half-year as travel restrictions were gradually lifted. The Group launched its marketplace in the first half. Its contribution to revenues (commissions only) is still marginal, but is expected to increase gradually over the coming half-years.

Internationally, internet revenues grew by 38.4% to €62.9 million, benefiting from an enrichment of the offer and strong revenue generation by Saldi Privati in Italy.

Revenues from **other activities** (wholesale physical clearance of unsold inventory and online returns) amounted to €3.1 million. This non-strategic and relatively unprofitable revenue stream continues to vary from one quarter to the next, mainly because of one-off clearance operations launched by the Group on the physical market. Recent changes in the sales model have reduced residual volumes needing to be sold through this channel, thanks to better stock management and sale through digital channels.

Over the period, Showroomprivé continued the transition of its model towards dropshipping (up 6 points to 26% of sales), while seizing occasional opportunities for targeted purchases of firm stocks.

Key performance indicators

	H1 2020	H1 2021	Variation
Gross Merchandise Volume (GMV)²	444.1	527.7	+18.8%
Cumulative buyers* (millions)³	10.149	11.029	+8.7%
Buyers** (millions)³	2.114	2.305	+9.0%
of which repeat buyers***	1.7	1.9	+9.2%
as % of total buyers	83%	83%	-
Number of orders (millions)³	6.413	7.404	+15.5%
Revenue per buyer (IFRS)³	127.8	152.7	+19.5%
Average number of orders per buyer	3.0	3.2	+5.9%
Average basket value	42.1	47.5	+12.8%

* All buyers who have made at least one purchase on the Group's platform since its launch

** Member who made at least one order during the year

*** Member who made at least one order during the year and at least one order in prior years

GMV totalled €527.7 million, an increase of €83.6 million (+18.8%) compared with the first half of 2020.

The good momentum in terms of acquiring new members and converting them quickly into new buyers continued in the first half of 2021, with the number of buyers increasing by 9.0%, bringing the buyer base to a cumulative 2.3 million. This performance once again confirms Showroomprivé's ability to attract and convert new customers over the long term.

Similarly, the success of the policy of greater selectivity of the offer and its enrichment, already initiated in 2020 with the signing of new premium partner brands, has resulted in an increase in the average basket size of about €5 year on year to €47.5. The number of orders per buyer also increased by 5.9% over the period, boosting revenue per buyer by 19.5% to €152.7, compared with €127.8 a year earlier.

The acceleration of e-commerce penetration, a consequence of the health crisis, has confirmed its effects in terms of the transformation of new buyers from the previous year into repeat buyers during this half-year.

² Gross Merchandise Volume (GMV) is the total amount of transactions invoiced, including all taxes. It therefore comprises gross online sales, including sales on the Marketplace, other services and other revenues.

³ Excluding Beautéprivée.

The Group again achieved a high degree of customer satisfaction and delivery quality during this period, helping strengthen its repeat customer base (NPS⁴ of 49%, up from 43% in H1 2020).

Operating income

(€ million)	H1 2020	H1 2021	Variation
Net revenues	302.7	388.3	+85.6
Cost of goods sold	190.4	230.7	+40.3
Gross margin	112.4	157.6	+45.2
as % of revenues	37.1%	40.6%	+3.5pts
Marketing*	7.7	10.9	+3.1
as % of revenues	2.6%	2.8%	+0.2pt
Logistics & fulfilment	76.0	86.5	+10.5
as % of revenues	25.1%	22.3%	-2.8pts
General and administrative expenses	30.3	35.2	+4.9
as % of revenues	10.0%	9.1%	-0.9pt
Total current operating expenses	114.0	132.6	+18.6
as % of revenues	37.7%	34.2%	-3.5pts
Current operating income	-1.6	25.0	+26.6
EBITDA⁵	7.0	33.0	+25.9
o/w France	7.0	30.5	+23.4
o/w International	0	2.5	+2.5

* In accordance with AMF recommendations, the amortisation of intangible assets recognised during a business combination is presented under 'Current operating income' as marketing expenditure.

H1 2021 gross margin increased sharply by €45.2 million to €157.6 million. Gross margin accounted for 40.6% of revenues, versus 37.1% in H1 2020. This 3.5 point increase is in line with that seen in 2020, validating the lasting impact of the strategic decisions taken in previous years, namely:

- strict inventory control and more efficient returns management;
- increase in the online sales gross margin due to greater business selectivity, the quality of the offers proposed and a transition of the purchasing model towards dropshipping;
- ramp-up of high value-added growth drivers, in particular SRP Media;
- controlled level of low-margin wholesales.

This record gross margin performance for the first half came on a **3.5 point reduction in operating expenses to 34.2% of revenues, compared with 37.7% a year earlier**, despite a logic increase in absolute terms in line with strong revenue growth.

The Group continues to manage its operating expenses rigorously in order to maintain high operating profitability:

- **marketing expenditure maintained at a level close to that of the first half of 2020 at 2.8% of revenues**, with targeted opportunities to acquire new customers. The good customer acquisition performance in H1 2021 is reflected in a good acquisition rate;
- **reduction in the weight of logistic expenses to 22.3% of revenues (down 2.8 points)**, notably in the absence of additional costs in 2020 related to transport in a tense health climate. The Group is reaping the rewards of the streamlining of its logistic chain (storage warehouses and subcontractors). The transition of the model to dropshipping has also reduced the flow of orders through the Group's logistic networks and in turn the associated costs. In addition, the ramp-up of the new automated warehouse allows the absorption of new volumes with associated economies of scale;
- **0.9 point reduction in general and administrative expenses as a share of revenues thanks to control over the payroll and tightly managed hiring in line with specific needs to support business growth.**

In this context, the Group achieved a performance in line with that recorded in the second half of 2020, with EBITDA for the first half of 2021 reaching €33.0 million, confirming the effectiveness of strategic initiatives on the Group's profitability.

After depreciation, amortisation and provisions, operating income before cost of share-based payments and other operating income and expenses amounted to €25 million, compared with a loss of €1.6 million for the same period in 2020.

⁴ Net promoter score - indicator of customer loyalty

⁵ EBITDA, according to the definition used by the Company, is obtained by deducting from net income: the amortisation of assets recognised following a business combination; amortisation and depreciation of intangible assets and property, plant and equipment; the costs of share-based payments, including the expense arising from expensing the fair value of bonus shares and stock options granted to employees over the vesting period; other non-recurring operating income or expenses, net cost of debt and other financial income and expenses, and the tax expense for the year

Net income/(loss)

(€ million)	H1 2020	H1 2021	Variation
Operating income before cost of share-based payments and other operating income and expenses	-1.6	25.0	+26.6
Other operating income and expenses	-3.7	-2.7	+1.0
Operating income	-5.4	22.3	+27.7
Cost of financial debt	-0.3	-0.4	-0.1
Profit before tax	-5.7	21.9	+27.6
Income tax	-0.9	-1.3	-0.4
Net income/(loss)	-6.6	20.6	+27.2

Other operating income and expenses (€2.7 million net expense) comprise sundry non-recurring expenses totalling €1.3 million (disputes, fees, impairments, etc.) and €1.4 million in costs of share-based payments.

Financial expenses remained under control at €0.4 million and the Group recorded a tax charge of €1.3 million.

As a result, the Group's net profit was €20.6 million, an improvement of more than €27.2 million compared with H1 2020.

Cash flow items

(€ million)	H1 2020	H1 2021
Cash flows related to operating activities	31.3	23.1
Cash flows related to investment activities	-4.8	-6.6
Cash flows related to financing activities	42.8	-38.5
Net change in cash and cash equivalents	69.3	-22.0

Cash flow from operating activities was €23.1 million in H1 2021, with cash flow of €29.8 million. Working Capital increased over the period with the seizing of targeted firm stock opportunities linked to the health situation.

These cash flows largely financed the net cash outflows on capital expenditure, mainly in R&D, inherent to the Group's activity, amounting to €6.6 million over the period. **As such, the Group generated a positive free cash flow⁶ of €16.5 million in the first half of 2021, strengthening its net cash position.**

In light of this strong operating performance and the strengthening of its financial structure, the Group decided to repay the full amount of its €35 million state-guaranteed loan in June 2021. Cash flows related to financing activities totalled €38.5 million, including €0.6 million in interest payments.

Balance sheet

ASSETS (€ million)	31/12/2020	30/06/2021	LIABILITIES (€ million)	31/12/2020	30/06/2021
Total non-current assets	215.1	212.0	Total shareholders' equity	177.0	198.1
Total current assets	265.7	238.1	Total non-current liabilities	80.9	74.6
o/w Inventory	60.9	72.1	o/w Financial debt	80.3	73.0
o/w Cash and cash equivalents	130.8	108.8	Total current liabilities	222.9	177.4
			o/w Financial debt	39.6	8.0
Total assets	480.8	450.1	Total equity and liabilities	480.8	450.1

Shareholders' equity stood at €198.1 million at 30 June 2021.

⁶ Free cash flow is obtained by the sum of cash flow from operating activities and cash flow from investing activities

As at 30 June 2021, The Group has a solid gross cash and cash equivalents of €108.8 million. The repayment of the state-guaranteed loan in the first half reduced gross financial debt to €81 million as at 30 June 2021, 92% of which due in more than one year. Showroomprivé accordingly has a positive net cash position of €27.9 million.

Net financial debt included €17.3 million in lease liabilities (under IFRS 16) as at 30 June 2021. Without this accounting item, the net cash position would be €45.2 million.

The Group, which is continuing to reduce its debt, is in a sound financial position, enabling it to tackle the next stages of its roadmap with ambition and serenity.

OUTLOOK

This excellent first half confirms the Group's profitable growth trajectory and sets the stage for a strong year in 2021.

The Group is anticipating a slowdown in its business momentum in the third quarter, which could see a temporary change in trend based on a very demanding comparison base which could be amplified by the catch-up of orders between June and July in 2020 (cut-off effect) and a momentarily lower level of stock available in certain "non-fashion" segments, such as household appliances and electronics impacted by the shortage of electronic components. A return to a normalized level of the stock is expected once production and delivery capacities are fully restored.

With an offer regularly enriched and in complete harmony with the expectations of its target customer base, Showroomprivé remains perfectly positioned to take advantage of a favourable underlying trend linked to the growing and irreversible penetration of e-commerce in consumer habits. The Group accordingly intends to continue to actively pursue its development beyond the next quarter by leveraging:

- the power of its platform sustained by a strong membership base;
- continued action to attract and lock in major brands, particularly in the online businesses, in order to increase market share whilst controlling gross margin;
- the transition of the purchasing model towards dropshipping;
- continued development of its growth drivers, such as SRP Media, the new Marketplace, SRP Studio and a recovery in the Ticketing and Travel segment;
- strict control and continuous optimisation of operating expenses. The Group will focus on managing inventory, continued streamlining of logistics and the further ramp-up of the new automated logistics warehouse.

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UPCOMING INFORMATION

Q3 2021 revenue: 21th october 2021

FORWARD-LOOKING STATEMENTS

This press release solely contains summary information and is not intended to be detailed. This press release may contain forward-looking information and statements relating to the Group and its subsidiaries. These statements include financial projections and estimates and their underlying hypotheses, statements with respect to plans, to objectives and to expectations relating to operations that are still to come, to future revenues and services, and statements with respect to future performance. Forward-looking statements can be identified by the words “believe”, “anticipate”, “objective” or similar expressions. Even if the Group believes that the expectations reflected by such forward looking statements are reasonable, investors and shareholders of the Group are advised of the fact that the information and forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally out of the control of the Group, which could imply that the effective results and events can differ significantly and in an unfavourable manner from those that are communicated, implied or indicated by this information and these forward looking statements. These risks and uncertainties include those that are advanced or identified in the documents filed or that are to be filed with the Financial Markets Authority by the Group (in particular those detailed in chapter 4 of the reference document of the Company). The Group does not take on any commitment to publish updates of the forward-looking information, this whether subsequent to new information, to future events or to any other element.

ABOUT SHOWROOMPRIVE.COM

Showroomprivé.com is a European player in event-driven online sales that is innovative and specialized in fashion. Showroomprivé proposes a daily selection of more than 3,000 partner brands over its mobile applications or its Internet site in France and in six other countries. Since its creation in 2006, the company has undergone quick growth.

Listed on the Euronext Paris market (code: SRP), Showroomprivé achieved a gross internet business volume⁷ with all taxes included of more than 962 million euros in 2020, and net revenue of 698 million euros. The Group employs more than 950 people.

For more information: <https://www.showroomprivégroupe.com>



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⁷ Gross Merchandise Volume (GMV) is the total amount transactions invoiced, including all taxes. It therefore includes gross online sales, including sales on the Marketplace, other services and other revenues.

INCOME STATEMENT

<i>(€ thousands)</i>	H1 2020	H1 2021	Change
Net revenues	302,733	388,272	28.3%
Cost of goods sold	-190,360	-230,670	21.2%
Gross margin	112,373	157,602	40.2%
<i>Gross margin as % of revenues</i>	37.1%	40.6%	+3.5pts
Marketing ¹	-7,721	-10,868	40.8%
<i>As % of revenues</i>	2.6%	2.8%	+0.2pt
Logistics & fulfilment	-75,997	-86,511	13.8%
<i>As % of revenues</i>	25.1%	22.3%	-2.8pts
General & administrative expenses	-30,297	-35,234	16.3%
<i>As % of revenues</i>	10.0%	9.1%	-0.9pt
Total Opex	-114,015	-,132,614	16.3%
As % of revenues	37.7%	34.2%	-3.5pts
Current operating profit	-1,642	24,989	N.A
Other operating income and expenses	-3,726	-2,669	-28.4%
Operating profit	-5,368	22,319	N.A
Net finance costs	-354	-581	64.2%
Other financial income and expenses	26	139	426.9%
Profit before tax	-5,695	21,878	N.A
Income taxes	-896	-1,317	47.0%
Net income	-6,591	20,560	N.A
EBITDA	7,049	32,981	367.9%
<i>EBITDA as % of revenues</i>	2.3%	8.5%	+6.2pts

¹ In compliance with the recommendations of the AMF, amortization of intangible assets recognized upon business combinations is indicated in the "Current Operating Income" within marketing expenses

PERFORMANCE INDICATORS ¹

	H1 2020	H1 2021	Variation
CUSTOMERS METRICS			
Cumulative buyers (in thousands)	10,149	11,029	8.7%
<i>France</i>	8,023	8,700	8.4%
<i>International</i>	2,126	2,329	9.5%
Buyers (in thousands)	2,114	2,305	9.0%
<i>France</i>	1,718	1,868	8.7%
<i>International</i>	395	437	10.4%
Revenue per Buyers (€)	127,8	152.7	19.5%
<i>France</i>	131,2	155.1	18.3%
<i>International</i>	113,0	142.2	25.8%
ORDERS			
Total orders (in thousands)	6,413	7,404	15.5%
<i>France</i>	5,229	6,000	14.7%
<i>International</i>	1,183	1,404	18.7%
Average Orders per Buyer (in number of orders)	3.0	3.2	5.9%
<i>France</i>	3.0	3.2	5.5%
<i>International</i>	3.0	3.2	7.5%
Average Basket Size	42.1	47.5	12.8%
<i>France</i>	43.1	48.3	12.0%
<i>International</i>	37.8	44.2	17.1%

¹ Excluding Beautéprivée

BALANCE SHEET

(€ thousands)	31/12/2020	30/06/2021
NON-CURRENT ASSETS		
Goodwill	123,685	123,685
Other intangible assets	51,341	50,131
Tangible assets	38,805	36,658
Other non-current assets	1,271	1,566
Total non-current assets	215,102	212,040
CURRENT ASSETS		
Inventory	60,924	72,066
Accounts receivable	20,307	16,203
Deferred tax assets	1,873	1,565
Other current assets	51,772	39,439
Cash and cash equivalents	130,833	108,840
Total current assets	265,708	238,114
Total assets	480,811	450,153
Long term financial debt	80,289	72,962
Obligations to personnel	147	147
Other provisions	439	607
Deferred taxes	-	620
Total non-current liabilities		74,336
Short-term financial debt	39,593	7,989
Accounts payable	132,205	125,351
Other current liabilities	51,115	44,332
Total current liabilities	222,913	177,672
Total liabilities	303,788	252,008
Total shareholders' equity	177,023	198,145
Total liabilities and shareholders' equity	480,811	450,153

CASH FLOWS

(€ thousands)	H1 2020	H1 2021
Net income for the period	-6,591	20,560
<i>Adjustments for non-cash items</i>	11,110	9,227
Cash flow from operations before finance costs and income tax	4,519	29,787
<i>Elim of accrued income tax expense</i>	896	1,317
<i>Elim of cost of net financial debt</i>	353	581
Impact of change in working capital	27,023	-7,828
Cash flow from operating activities before tax	32,790	23,858
Income tax paid	-1,487	-746
Cash flow from operating activities	31,303	23,112
Impact of changes in perimeter	-	-
Acquisitions of property plant & equipment and intangible assets	-4,893	-6,620
Changes in loans and advances	62	-338
Acquisition (disposal) of financial assets	1	-
Sale of tangible and intangible assets	-	312
Net cash flows from investing activities	-4,830	-6,646
Capital increase	-	72
Transaction on own shares	-45	-159
Increase in share capital and share premium reserves	-	-
Issuance of indebtedness	45,000	-
Repayment of borrowings	-1,766	-37,821
Net interest expense	-342	-647
Other flows from financing activities	-	-
Net cash flows from financing activities	42,847	-38,546
Net change in cash	69,283	-21,993

RECONCILIATION OF THE EBITDA

(€ thousand)	H1 2020	H1 2021
Net result	-6,591	20,560
Am. of intangible assets recognized on the occasion of a business combination	567	567
Am. and dep. fixed assets	8,124	7,425
<i>of which depreciation in Logistics and order processing</i>	2,462	2,274
<i>of which depreciation in General and administrative expenses</i>	5,662	5,151
Cost of share-based payments	611	1,403
Non-recurring items	3,115	1,266
Cost of financial debt	354	581
Other financial income and expenses	-26	-139
Income tax	896	1,317
EBITDA	7,049	32,981

RECONCILIATION DE LA GMV

<i>(€ thousand)</i>	H1 2020	H1 2021
Gross Internet Sales	433,549	515,391
VAT	-68,419	-82,123
Revenue Recognition Impact	-71,164	-55,275
Non-Internet Revenue & Other	8,767	10,279
Net Revenues IFRS	302,733	388,272

<i>(€ thousand)</i>	H1 2020	H1 2021
Gross Internet Sales	433,549	515,391
Other Services and Other Revenues	10,520	12,334
Gross Merchandise Volume	444,070	527,725