SHOWROOMPRIVE

H1 2022 Results

July 2022

June 2022

1. H1 2022 Results Overview

KEY BUSINESS HIGHLIGHTS

A CHALLENGING START OF THE YEAR AMID DETERIORATED MARKET ENVIRONMENT

Acquisition of The Bradery

- Highly complementary clientele mix
- Addition of a new vertical
- Value creative for our shareholders

Reiteration of David Dayan’s confidence in the business

- Strengthening of his shareholding position in SRP’s share capital
- Acquisition by SRP Group of 4m shares to be allocated for existing and future free share plans

Strong resilience from our growth levers

- Continued ramp up of our Ticketing& Travel segment
- SRP Media builds on its strong momentum to further grow
- The Marketplace continues to deliver in line with expectation

Launch of Village de marque

- Further developing our value proposition for our brand partners and customers
- Dedicated space offering premium brands on a permanent basis at a slightly discounted price

ESG remains at the heart of Showroomprivé’s DNA

- ESG rating agencies ranked Showroomprivé with a continued improved rating
- Rating well above peers and industry average

Challenging market conditions impacting all retail sector

- Plummeting consumer confidence driven by macro and geopolitical environment and risk of stagflation
- Continued supply chain disruption and presidential election have also impacted consumption behaviours

KEY FINANCIAL HIGHLIGHTS

- Group net revenues decreased by 21% to €305.4m in H1 2022 in line with expectation
  - Q2 2022 performance is in line with expectation, while slightly better than Q1 2022 results as the comparison basis is less challenging with the reopening of stores Mid-May 2021
  - While revenue is in decline y-o-y, it is in line with H1 2020 and H1 2019
- Core business continues to suffer as consumer confidence reaches a low with a lasting challenging market conditions
  - All segments are in decline with Home (Furnishing & Appliances) proving slightly more resilient in terms of Revenues but suffered from eroding gross margin
  - Strong performance from the Travel & Ticketing segment over the as consumer shifts spending towards leisure
- EBITDA of €11.2m thanks to the robust business model that has been developed over the last couple years despite headwinds
- Challenging market conditions resulted in a decrease in the number of buyers (-17%) and as well as number of orders (-27%). Average Basket size up by 9.1% with the ever premiumisation effort and led by the Home segment

	H1 2020	H1 2021	H1 2022	21-22 % Chg	20-22 % Chg
Gross Merchandise Volume*	444.1	527.7	**431.9**	*(18.2)%*	*(2.8)%*
Net revenues (€m)	302.7	388.3	**305.4**	*(21.3)%*	*0.9%*
Total Internet revenues (€m)*	298.2	385.1	**301.3**	*(21.8)%*	*1.0%*
o/w France	*152.7*	*322.3*	***245.9***	*(23.7)%*	*(2.7)%*
o/w International	*45.4*	*62.9*	***55.4***	*(11.9)%*	*22.0%*
EBITDA	*7.0*	*33.0*	***11.2***	*(67.0)%*	*60.0%*
% margin	*2.3%*	*8.5%*	***3.7%***	*(480)bps*	*+140bps*
Net Results	*(6.6)*	*20.6*	***1.6***	*n.m*	*n.m*
% margin	*n.m*	*5.3%*	***0.5%***	*-(480)bps*	*n.m*

Key KPIs[1]	H1 2020	H1 2021	H1 2022	21-22 % Chg	20-22 % Chg
Buyers (in millions)	2,114	2,305	**1,910**	*(17.2)%*	*(9.7)%*
o/w France	*1,718*	*1,868*	***1,518***	*(18.8)%*	*(11.7)%*
o/w International	*395*	*437*	***392***	*(10.3)%*	*(0.9)%*
Revenue per buyer (€)	127.8	152.7	**145.9**	*(4.4)%*	*14.2%*
Avg Number of orders	3.0	3.2	**2.8**	*(12.4)%*	*(7.2)%*
Avg Basket size (€)	42.1	47.5	**51.8**	*9.1%*	*23.0%*
Number of orders (m)	6,413	7,404	**5,374**	*(27.4)%*	*(16.2)%*
Cumulative buyers (m)	10,149	11,029	**11,629**	*5.3%*	*14.4%*

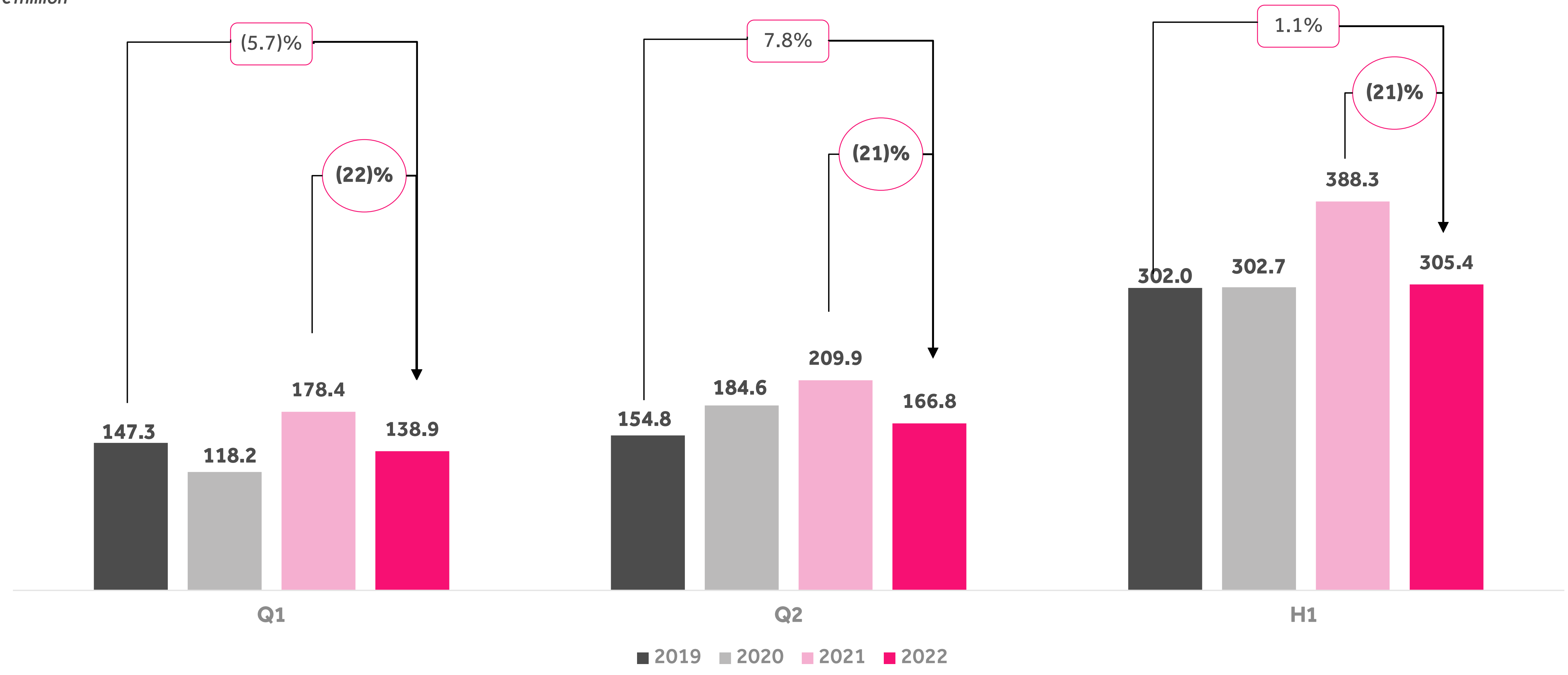
NOTES
- Gross Merchandise Volume ("GMV") represent, all taxes included the total amount of transaction invoiced and therefore include gross internet sales including sales on the marketplace, other services and other revenues

[1] Excluding Beauté Privée and The Bradery

SUSTAINING HEADWINDS

Net sales IFRS – BY QUARTERS

€ million



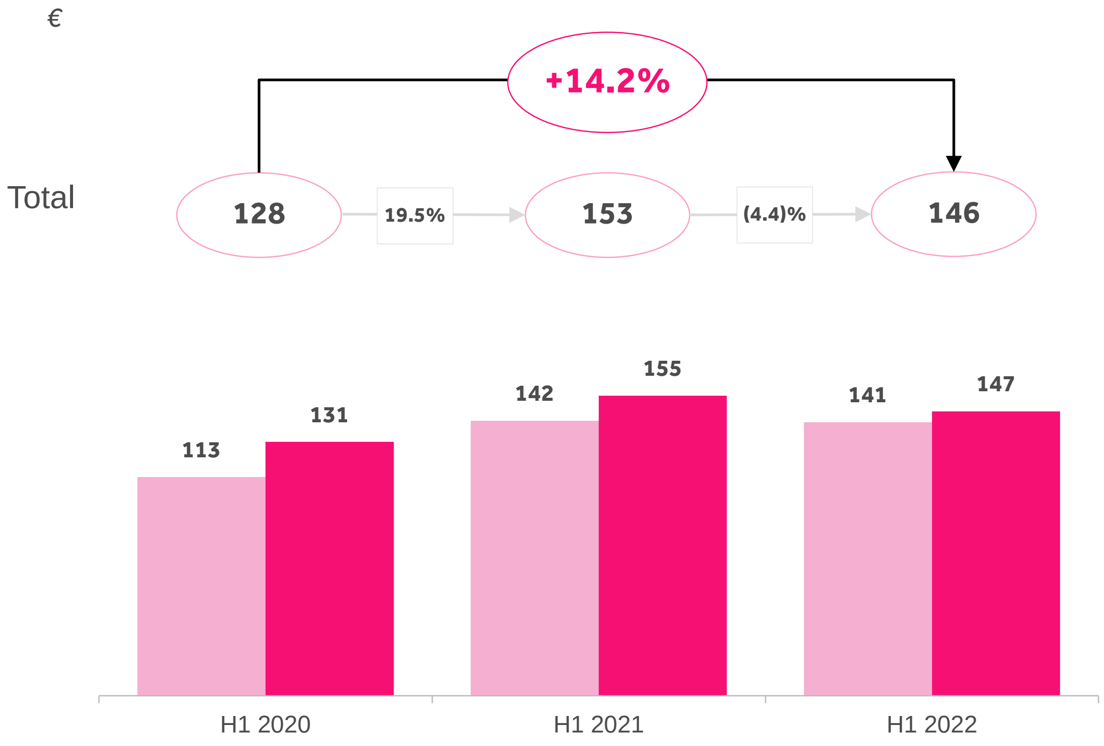
KEY BUSINESS HIGHLIGHTS

Q2 AND H1 2022 REVENUE DECREASE AS MARKET CONDITIONS WORSEN

- In line with expectations, the Q2 2022 performance was in line with our Q1 2022 results, albeit slightly better thanks to a less unfavourable comparison basis and a progressive deceleration of the activity decline
  - (21.2)% revenue decline y-o-y on SRP Internet sales
  - (36.0)% revenue decline y-o-y on Beauté Privée
- The H1 2022 results reflect the increasingly challenging market conditions
  - While the presidential election has now passed, other macro and geopolitical factors are not easing
    - The War in Ukraine is showing no sign of resolution
    - Low consumer confidence with the fear of a stagflation increases
    - Inflationary environment severely hits modest family - our largest clientele - who become more cautious on spending
- However, our growth levers have displayed a strong resilience in this volatile market
  - Travel & Ticketing segment has been blooming year-on-year as it virtually had no activity due to the sanitary restrictions but has more than double vs. H1 2020
  - SRP Media is continuing to grow steadily at c.20% and in line with our expectation
  - The marketplace is performing in line with expectation but it has not yet been able to produce its full effects in the current economic climate

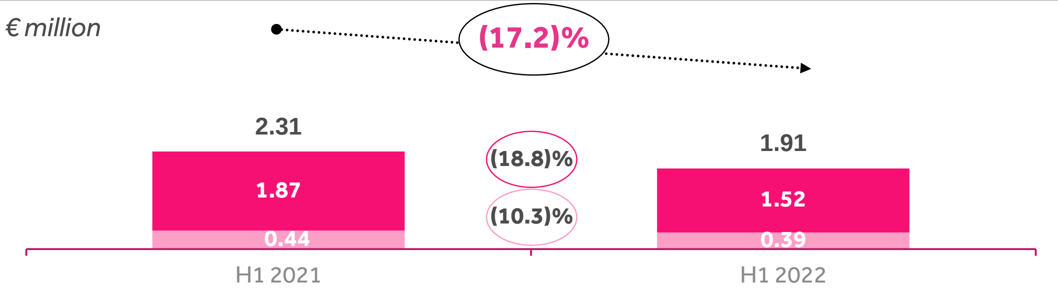
FOCUS ON CUSTOMER METRICS

Average Revenue Per Buyer by Geography

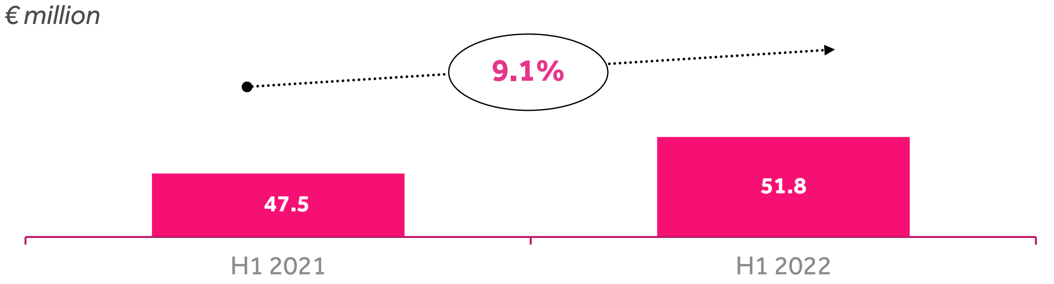


4.4% DECLINE Y-O-Y DRIVEN BY A DECREASE IN ORDER VOLUME BUT 14.2% INCREASE COMPARED TO H1 2020

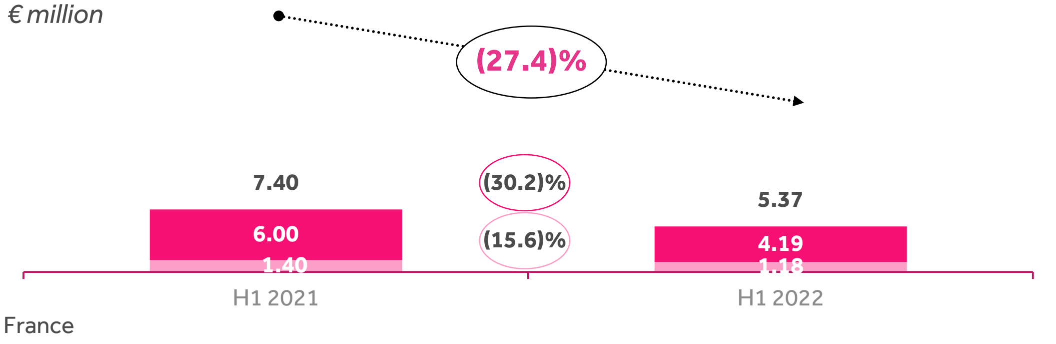
Active Buyers By Geography



Average Basket Size



Total Orders



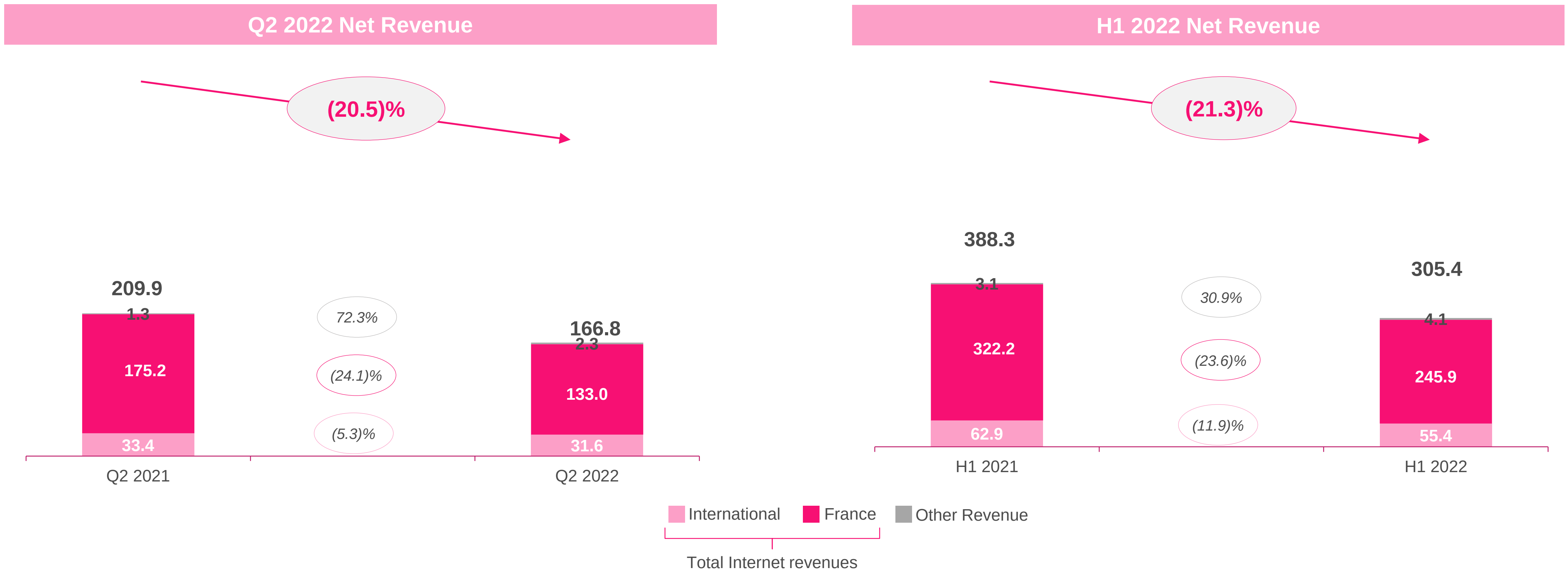
CORE BUSINESS IMPACTED BUT INTERNATIONAL FARES BETTER

- Weakening traffic on the website and lesser conversion rate weight heavily on all segments performance despite an increase in member enrolment
  - Member enrolment, while decreasing y-o-y by 11.9%, is growing by 5.8% vs. H1 2020
  - Fashion, our largest segment has been particularly impacted as households' purchasing power erodes
  - Home & Deco, while following the same declining trend as the rest of the sector , is proving more resilient thanks to stellar performance on selected offers (e.g. Emma, Dyson)
- SRP has been able to retain the major account wins made over the pandemic period but revenue by sales are decreasing
  - Over the same period in 2021, similar sales on identical brands, revenue by sales decreased drastically
- International market, that represents in H1 2021 18% of internet revenue, is trending towards the same direction of our Core market. However, the magnitude of the decline has been much softer thanks to a relatively more resilient traffic and growth potential
  - Spain proves the most resilient while Portugal is trending more like the French core business
- Launch of the Village de marques in mid-June 2022

NET REVENUE PERFORMANCE – BY GEOGRAPHIES

Net Sales IFRS breakdown

€ million



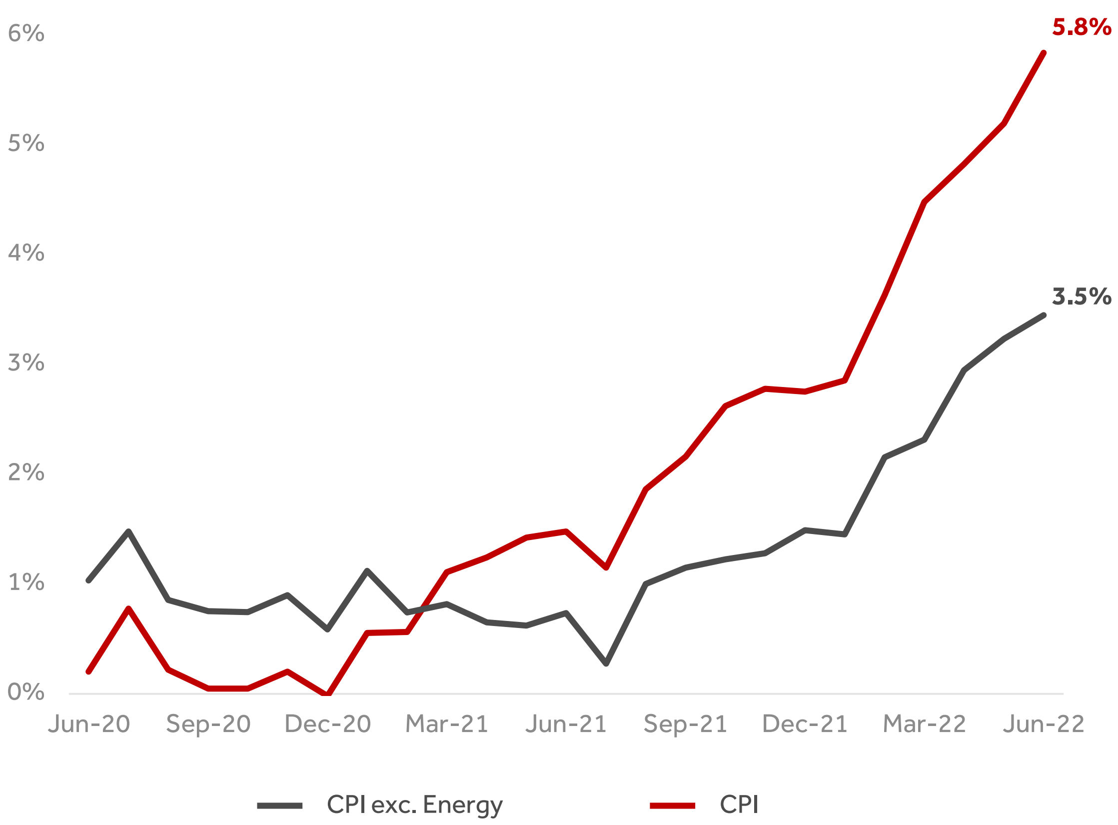
- **Headwinds across the business over H1 2022 driven by an unfavourable comparison basis as well as low consumer confidence**
- **International fared better than France testifying of the robust business model changes made over the last couple years**

INCREASING INFLATION AND ERODING CONSUMER CONFIDENCE

Consumer Confidence Index – France (rebased 100 at 30-Jun-2020)

CPI – France (% Growth)

Estimates	FY22	FY23	FY24
HCPI (% y-o-y)	5.4%	3.3%	2.1%



Source: Factset

INFLATIONARY PRESSURE IS STARTING TO WEIGHT ON MARGINS

INFLATIONARY PRESSURE ON COST THAT IS STARTING TO MATERIALISE

- Increasing inflationary tension and diminished purchasing power have resulted in a decrease in the gross margin
  - As part of its ambition to become the Go-to platform for Smart Shopping, SRP has taken the hard stance to keep providing the best prices for its customers and has not yet passed through prices increase
  - Furthermore, there has been greater pressure on prices as traffic and customers conversion were sluggish
  - Comparatively, COGS increased as stocks were more expensive given the competitive tension related to the stock shortage
- Over H1 2022, a greater number of firm purchases have been made in order to secure sufficient and qualitative stocks and resulted in an increased portion of firm sales vs. conditional sales vs. Dropshipping
  - Sharp increase in the warehousing capabilities need and costs
  - Under-utilisation of Astrolab weight on operating leverage
  - Impact on gross margin due to slower sale flow of the firm sales requiring a more aggressive stance on price earlier on
- Average basket price grew by €4.3 (+9.1% y-o-y) with a premiumisation effort of the company
  - As SRP focuses on major brands, the company reduces the number of sales made with no name labels
  - Average basket size increased across all segment but has been materially been higher within the Home segment

AN AGILE MODEL ABLE TO ADAPT TO MARKET CHALLENGES

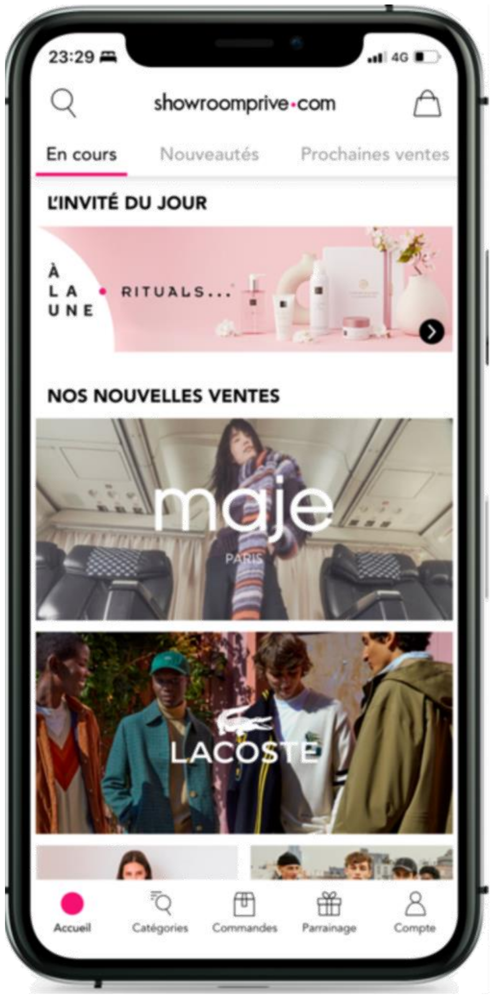
REVENUE BREAKDOWN

	FY 2020	H1 2021	FY 2021	H1 2022
FIRM SALE DELIVERY IN 24-48 HOURS TO OUR CUSTOMERS SHORT DELIVERY TIME SRP OWN INVENTORY	17%	21%	24%	27%
DROP & SALE DELIVERY IN 24-48 HOURS AS STOCK READILY AVAILABLE SHORT DELIVERY TIME NO INVENTORY RISK	7%	6%	5%	4%
DROP-SHIPPING RAPID DELIVERY ENSURED BY OUR PARTNERS SHORT DELIVERY TIME OPTIMIZED LOGISTICS COSTS	20%	26%	25%	32%
CONDITIONAL SALE DELIVERY WITHIN 3 WEEKS TO OUR CUSTOMERS OPTIMIZATION OF OUR INVENTORY LEVELS NO *DELOTAGE* (SPLITTING PACKS FOR INDIVIDUAL SALE)	56%	47%	45%	37%

Speedy execution and satisfying customer service

Speedy execution and satisfying customer service with no financial risk

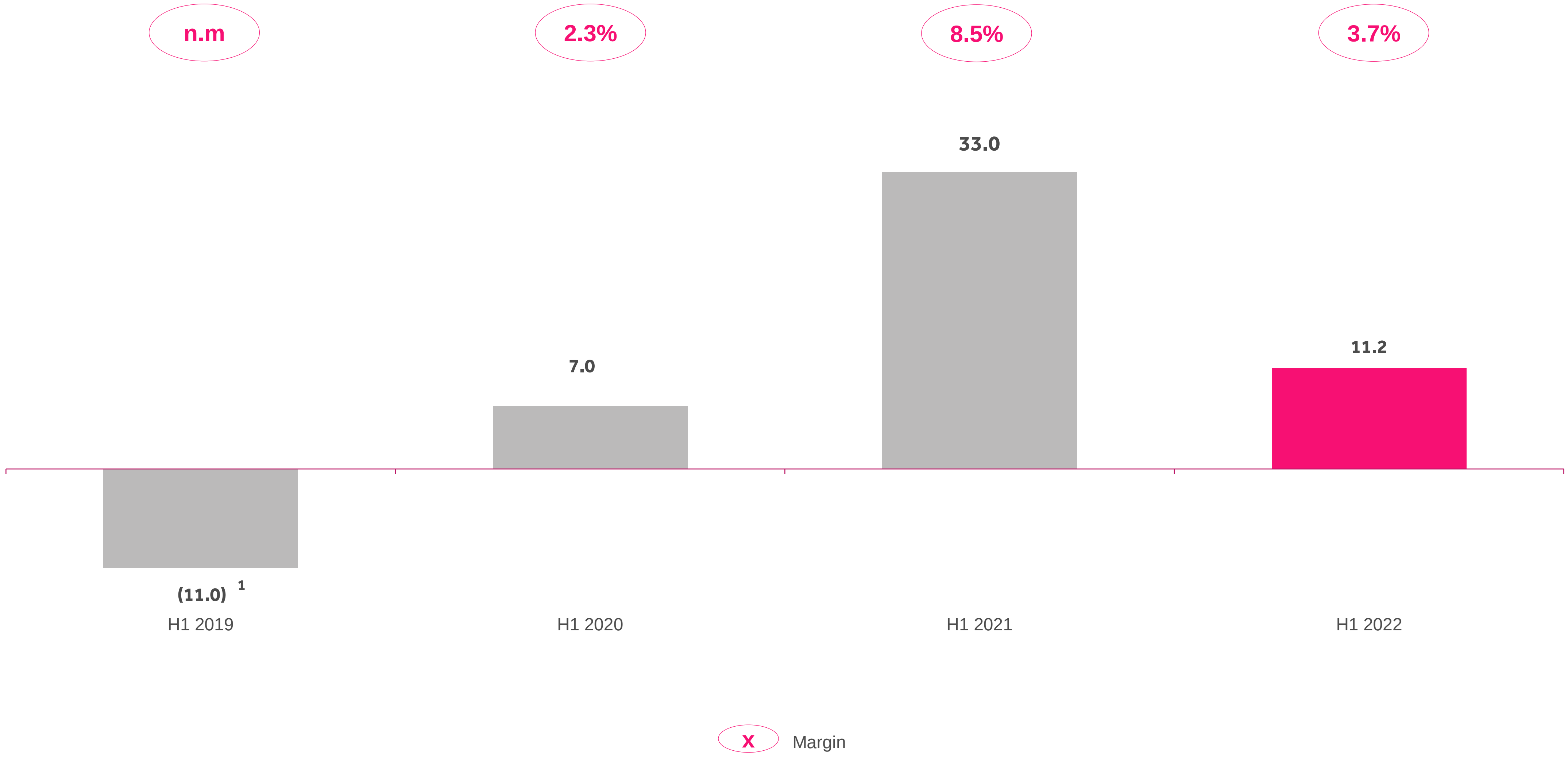
No inventory risk



STRONG EBITDA MARGIN

EBITDA IFRS – H1 2019 – 2022 EBITDA Evolution

€ million



[1] Hors exceptionnel

PROFITABILITY PRESERVED DESPITE DECLINE IN REVENUE

- Building on the 2018-2020 performance plan transformation, the company has been able to lower its hurdle rate while remaining agile
  - While lower volumes weighted across the business, our agile structure and our tight cost control enable the company to report an acceptable level of EBITDA as announced
  - While H1 2022 revenue is at par with H1 2019 and 2020, the turnaround of the business model enables to Company to generate a solid profitability
- However, as 2022 proved to be a singular year, SRP takes the opportunity to further invest for its long term growth (e.g. marketing)
  - While marketing spend remains broadly in line with previous years / budget, as a percentage, the ratio increased due to lower revenue
- Margins have slightly been eroded due to the increased level of firm purchases made in order to secure a good level of stock amid supply shortage expected
  - Increased COGS amid competitive tension for available stock as well as some inflation pass-through
  - Increase in firm stock resulted in a slight additional cost on the logistics end
- Inflationary environment impact has been relatively low as SRP retained a tight hold on cost. However, increase in COGS have so far, not been pass-through to customer in order to provide ever more the most competitive prices to its customers

BUILDING SRP FUTURE WITH KEY INVESTMENTS AND OPERATIONS ON CAPITAL

- Recruitment if key talents to reinforce the organisation structure
  - The high profile and senior individuals are expected to join SRP forces over H2 2022
- Following the acquisition of The Bradery on 31-May-2022, SRP will now be able to consolidate its revenue, albeit the contribution remained minimal given the date of closing
  - Initial revenue synergies have been initiated with a couple cross-sales performed over June on a test-and-learn basis
  - Cost synergies will be initiated as soon as H2 2022
- A new major marketing campaign led by BETC is in progress
- In June 2022, David Dayan alongside SRP and E.Sitruk has announced the buyout of Thierry Petits' equity stake in SRP, reinforcing the belief that SRP is highly undervalued and their belief in the long term prospect of the Company

2. H1 2022 Financial Results

2020 – 2022 P&L OVERVIEW

€ millions	H1 2020	H1 2021	H1 2022	% Growth
Net Revenues	**302.7**	**388.3**	**305.4**	***(21.3%)***
Cost of Goods Sold	(190.4)	(230.7)	(186.0)	*(19.4%)*
Gross Margin	**112.4**	**157.6**	**119.5**	***(24.2%)***
As % of Revenues	*37.1%*	*40.6%*	*39.1%*	*(148 bps)*
Marketing	(7.7)	(10.9)	(10.7)	*(1.8%)*
As % of Revenues	*2.6%*	*2.8%*	*3.5%*	*70 bps*
Logistics & Fulfilment	(76.0)	(86.5)	(73.9)	*(14.6%)*
As % of Revenues	*25.1%*	*22.3%*	*24.2%*	*190 bps*
General & administrative expenses	(30.3)	(35.2)	(31.6)	*(10.3%)*
As % of Revenues	*10.0%*	*9.1%*	*10.4%*	*128 bps*
Total Opex	**(114.0)**	**(132.6)**	**(116.2)**	***(12.4%)***
As % of Revenues	*37.7%*	*34.2%*	*38.0%*	*387 bps*
EBITDA	**7.0**	**33.0**	**11.2**	***(66.0%)***
% Margin	***2.3%***	***8.5%***	***3.7%***	***(482 bps)***
Current Operating Profit	**(1.6)**	**25.0**	**3.3**	***(86.8%)***
% Margin	*n.m*	*6.4%*	*1.1%*	*(535 bps)*
Other operating income and expenses	(3.7)	(2.7)	(0.4)	*(84.2%)*
Operating Profit	**(5.4)**	**22.3**	**2.9**	***(87.1%)***
% Margin	***n.m***	***5.7%***	***0.9%***	*(480 bps)*
Net finance costs	(0.4)	(0.6)	(0.4)	*(34.4%)*
Other financial income and expenses	0.0	0.1	(0.0)	*(123.0%)*
Profit Before Tax	**(5.7)**	**21.9**	**2.5**	***(88.7%)***
Income Tax	(0.9)	(1.3)	(0.9)	*(31.1%)*
Net income	**(6.6)**	**20.6**	**1.6**	***(92.4%)***
% Margin	***n.m***	***5.3%***	***0.5%***	***(478 bps)***

1 Revenue declined 21% y-o-y given challenging as market conditions and unfavourable comparison basis

- Q2 2022 in line with Q1 2022 performance as expected
- Gradual performance improvement in sight as May and June 2022 fared better

2 Gross margin decline as inflationary tension increases while SRP stands firm on its ambition to become the Go to Platform for Smart Shopping

- COGS slightly increased as negotiation power were not in SRP favour with the stock shortage
- Good performance of SRP Services protected gross margins

3 While Marketing expenses broadly were in line with H1 2021 in absolute terms, it is increasing as % of revenues as revenues declined

4 Controlled increased in costs that enabled EBITDA margin's protection

- Increased warehousing costs as greater firm purchases were made
- Increased logistics cost as the increase as the reduction of conditional sales led to a under-utilisation of Astrolab
- G&A increase as a % of revenue but decreased in absolute terms as tight cost control was done (e.g. recruitment held off unless absolute necessity)

5 Satisfactory EBITDA level given the challenging market conditions

CASH FLOW AND NET DEBT

EBITDA to net change in cash

€ millions

EBITDA	**11.2**	• **Satisfactory EBITDA as profitability preserved thanks to the agile business model**
Change in Working Capital	(20.0)	• Increase in payables as more firm purchases were made to secure stock
Other	(4.7)	• Increase in tax paid
Cash Flow from Operations	**(13.5)**	• Impacted by the negative change in working capital
Cash Flow from Investment	**(11.0)**	• Acquisition of The Bradery effective in 31-May-2022
Cash Flow from Financing	**(2.1)**	• Repayment of non financial debt
Other	**0.0**	• FX rate variation
Net change in cash	**(26.6)**	

Inventories net position

€ millions

30-Jun-2021	**72.1**
31-Dec-2021	**62.0**
30-Jun-2022	**85.0**

Net debt position

€ millions

In € millions	**30-Jun-21**	**31-Dec-21**	**30-Jun-22**
Gross Cash	108.9	99.6	73.0
Gross Debt	81.0	67.3	69.1
Net Debt / (Cash) exc. IFRS 16	**(45.2)**	**(49.5)**	**(22.2)**
Net Debt / (Cash)	**(27.9)**	**(32.3)**	**(3.9)**

3. Outlook

H2 2022 TOP PRIORITIES

1 Profitability protection within a cost pressure environment

- Invest in marketing with a greater ROI-approach to drive traffic and boost conversion
- Firmly negotiate offers to provide the best value for our customer while providing the best support and opportunity to our brand partners
- Maintain a tight control over operating expenses to pursue a profitable growth
- Strict operational management with the optimisation of our logistics capacity, transportation costs and strict stock management

2 Continue to invest in the Company in order to be ready for the activity rebound

- New corporate branding to be announced before the end of the year
- Launch of a new nationwide marketing campaign to promote the new platform and repositioning SRP at its core DNA: The Smart Shopping
- Ever improving our UX and our customer experience to drive customers satisfaction and meet our premiumisation target

3 Foster and implement synergies with The Bradery for an optimal ramp up of cross-selling and cost savings

- Build on the strong momentum of The Bradery to drive traffic and promote cross sellings
- Rapidly ramp up cost savings in order to drive profitability up and create value for our shareholders

4 Further focus on the development of our growth levers (SRP Media, SRP Studio, Ticketing & Travel, marketplace, etc.)

- Highly profitable businesses despite contributing little in terms of revenue
- Strong growth expected in the ticketing & Travel segment as stringent sanitary restrictions are not expected

5 Keep a tight control over stock management and take advantage of opportunities as the stock shortage ends

- Active stock management to reduce current inventories
- Gradual return to normal purchasing conditions as the stock shortage ends