FULL-YEAR 2018 RESULTS

- Consolidated revenues up 4.8% at constant exchange rates to €257.0 million
- Sales growth in every region except the UK
- Sharp 6.6% increase in current EBITDA to €22.4 million[1]
  - EBITDA margin in France: x1.6 (6.3% vs. 4% in 2017)
- Robust financial position with leverage (EBITDA/net debt) of 0.2
- Proposed dividend of €0.27 per share (i.e. 40% of net profit, at the top end of the target announced at the time of the IPO)

Paris, 29 March 2019

ROCHE BOBOIS SA (ISIN: FR0013344173 - Ticker symbol: RBO), high-end furniture global market leader and the name behind *French Art de Vivre*, today released its full-year 2018 results. The Executive Board met on 26 March 2019 and approved the financial statements. The consolidated financial statements have been audited and the certification report is currently being prepared by the Statutory Auditors.

IFRS (€m) audited figures	2017	2018	Ch.
Sale of goods	218.4	224.7	
Royalties and other services	30.1	32.3	
Revenues	248.5	257.0	+3.4%
Gross margin on sales	126.6	130.0	
Current EBITDA[1]	21.3	22.4	+5.0%
Current EBITDA margin	*8.6%*	*8.7%*	
EBIT before non-recurring items[2]	11.4	11.6	
EBIT	11.2	11.1	
Net financial expense	(1.0)	(0.4)	
Tax charge	(3.7)	(4.0)	
Net profit	6.5	6.7	+2.5%
Net profit Group share	6.3	6.3	-

[1] EBITDA after restatement for store openings and before bonus share plans. Reported 2017 EBITDA amounted to €21.0 million and did not include social security charges (€317,000). These have been added back to 2017 EBITDA, which now amounts to €21.3 million.

[2] Includes the €3.4m impact of the bonus share plan in 2018, compared to €2.5m in 2017

2018 Group revenues amounted to €257.0 million (compared to €248.5 million in 2017), **up 4.8% at constant exchange rates** (up 3.4% at current exchange rates). Revenues increased in all Group regions except the UK, which posted an expected decline (down 10.1% at constant exchange rates) in light of Brexit. The UK however only accounts for 7% of total revenues.

The Group's gross margin remained high at 57.8%, up €3.4 million.

External charges were kept well under control at €85.3 million. The 2.9% increase was mainly due to rent payments and charges relating to store openings and the French ILC commercial rent index.

Current EBITDA came in at €22.4 million, up 6.6% at constant exchange rates (up 5.0% at current exchange rates). France posted a marked 2.3 percentage point increase in its EBITDA margin ratio, from 4% in 2017 to 6.3% in 2018, in accordance with the targets announced at the time of the IPO, thanks to streamlining initiatives at certain stores and the impact of postponed deliveries on first half 2018. The US/Canada EBITDA margin ratio also increased, from 15.8% in 2017 to 16%.

The **Group's current EBITDA margin ratio came in at 8.7%**, up from 8.6% in 2017.

<u>EBIT up despite non-recurring impact of bonus share plan</u>

EBIT before non-recurring items amounted to €11.6 million, compared to €11.4 million in 2017, up 2.2% despite the non-recurring impact of the bonus share plan, which generated costs of €3.4 million over the full year.

Restated from the bonus share plan, EBIT before non-recurring items came in at €15.0 million, up 8% from €13.9 million in 2017.

After recording non-recurring income and expenses mainly related to IPO costs incurred by Roche Bobois SA (€0.5 million), EBIT amounted to €11.1 million, compared to €11.2 million in 2017.

After €4.0 million in net financial expenses and tax, 2018 net profit amounted to €6.7 million, up 2.5% from €6.5 million in 2017. Net profit Group share amounted to €6.3 million.

<u>Robust financial position - Proposed 40% dividend payout</u>

Group equity at year-end stood at €53.8 million compared to €61.7 million at 31 December 2017. This includes net profit for the year and the €15.4 million dividend and reserve distribution carried out in H1 2018.

The Group posted an exceptional €7.4 million increase in working capital due to the impact of postponed deliveries at the end of 2017, resulting in a temporary increase in trade receivables (€6.2 million variation). The Group has returned to more normal working capital levels this year.

In total, cash flow from operating activities amounted to a €9.3 million inflow in 2018, thus covering expenditure for the period in relation to store openings and renovation (€7.2 million versus €10 million in 2017). This year the Company notably purchased €2.2 million of Roche Bobois Groupe S.A shares under the bonus share plan.

At 31 December 2018, the Group cash position remained high at €15.5 million after payment of a €15.4 million dividend in the first half.

Net debt was very low at €5.6 million, or 10.4% of equity.

The Group will therefore propose a dividend payment of €0.27 per share at the next General Meeting (40% of net profit, which falls within the upper range of the distribution plan announced at the time of the IPO).

Financial outlook for 2019

After a Q4 2018 decline mainly due to social movements in France, business recovered at the start of the new year. The Group expects to post revenue growth in 2019 in line with 2018 and has set an EBITDA margin target between 9 and 10%. The Group has confirmed its 2021 target of €320 million in revenues and a double-digit EBITDA margin. The Group also confirms that it is in line with its target to double the France EBITDA margin (from 4% in 2017 to 8% by 2021).

Sustained pace of store openings

In 2019, the Company intends to maintain the number of owned store openings. Roche Bobois has already opened a new owned store in Greenwich (Connecticut) and will soon open new stores in France (Paris-Domus), Spain (Madrid 2) and the USA (fifth owned store in New York, Upper East Side 2). A new store in Germany is also in the pipeline. Accordingly, Roche Bobois is on track towards achieving its target of opening 18 new owned stores (net)[3] between 2018 and 2021.

Meanwhile, Roche Bobois is continuing discussions regarding targeted buyouts of franchises. Finally, the Group has confirmed the launch of e-commerce websites in France for the Roche Bobois and Cuir Center brands in the second half of 2019.

[3] New stores less closures

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Forward-looking statements

This press release contains forward-looking statements. These statements do not constitute guarantees regarding the future performance of ROCHE BOBOIS. This forward-looking information covers the future outlook, growth and commercial strategy of ROCHE BOBOIS and is based on the analysis of future result forecasts and estimates of amounts that cannot yet be determined. By nature, forward-looking information involves risks and uncertainties, as it relates to events and depends on circumstances that may or may not occur in the future. ROCHE BOBOIS draws your attention to the fact that forward-looking statements provide no guarantee of future performance and that its actual financial position, results and cash flow, as well as changes in the sector in which ROCHE BOBOIS operates, may differ significantly from those proposed or suggested by the forward-looking statements contained in this document. Moreover, even if ROCHE BOBOIS' financial position, results, cash flow and changes in the sector in which ROCHE BOBOIS operates were to be in accordance with the forward-looking information contained in this document, these results or changes may not be a reliable indicator of ROCHE BOBOIS' future results or developments. A description of events that could have a material adverse impact on ROCHE BOBOIS' business, financial position or results, or on its ability to achieve its targets, is given in Chapter 4 "Risk Factors" of the Base Document.

GLOSSARY

- **EBITDA** = earnings before interest, tax, depreciation and amortisation. Underlying EBITDA equals Group pre-tax profit before deduction of interest, depreciation, amortisation and impairment charges on non-current assets, store opening costs and staff share-based payments, but after impairment of inventories and trade receivables. It shows profit generated by business activities regardless of financing conditions, tax constraints and the upgrading of operating assets. Non-recurring expenses (one-off, unusual or infrequent items) are excluded.