

GROUPE BOGART



PRESS RELEASE

Paris, 24 April 2019

Revenues: up 28.4%

EBITDA: up +7.2%

Net cash up €17.5m¹

Increased proposed dividend (€0.20 per share)

Bogart Group (Euronext Paris - Compartment B - FR0012872141 - JBOG), which creates, manufactures and markets luxury cosmetics and perfumes, has published its 2018 financial results.

€m (audited data) ²	2017	2018	Change %
Turnover	128.0	164.3³	+28.4%
<i>Fragrance/Cosmetic brands⁴</i>	36.9	32.2	-12.7%
<i>Own-brand boutiques⁵</i>	91.1	132.1	+45.0%
EBITDA⁶	15.1	16.2	+7.2%
Operating income	16.3	15.9	-2.4%
Financial income (expense)	(3.2)	(0.7)	-
Tax	(3.9)	(1.4)	-
Net profit Group share	9.3	13.7	+47.0%

¹ Net cash = change in 2018 opening and closing cash and cash equivalents

² The Board of Directors has approved the financial statements. The financial report will be made available to the public and been filed with the French financial market authority (AMF) by 30 April 2019.

³ Reported revenues differ by €0.4m compared to the 15 February 2019 press release due to revenues from discontinued operations (Hong Kong and Parfulux Belgium) being reclassified.

⁴ Group brand revenues via all sales channels

⁵ Revenues generated by boutiques owned by Bogart Group (excl. Group brand revenues).

⁶ EBITDA = operating income + CVAE (French business value added tax) + depreciation, amortization and provisions + other non-recurring operating income and expenses



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2018 featured the acquisition of the entire share capital of Distriplus, No. 2 distributor of fragrances and cosmetics in Belgium and owner of two retail chains, DI and Planet Parfums (network of 197 stores). The 2018 financial statements include the full consolidation of Distriplus for the last two months of the year from 1 November 2018. **The Company also discloses proforma⁷ key financial results in the appendix hereto to provide greater clarity.**

2018 results

Bogart Group posted 2018 revenues of €164.3m², up 28.4%, boosted by a surge in Own-brand Boutiques. At constant consolidation scope and exchange rates, revenues were down 2.6% due to lower sales of Fragrance/Cosmetic Brands.

Proforma revenues amounted to €308.3m and are a reflection of the Group's increased size, having nearly doubled revenues year on year.

2018 staff costs increased €6.7m from €29.5m in 2017 to €36.2m due to first-time consolidation of Distriplus. Bogart Group had 2,013 employees on average in 2018 (up 879 year on year).

Operating profit held up well at €15.9m compared to €16.3m in 2017. Operating profit is stated after a €4.6m increase in net depreciation and impairment charges that was fully offset by non-recurring income from negative goodwill arising from the Distriplus acquisition.

EBITDA, which reflects the Company's underlying earnings, came in at €16.2m, up 7.2% year on year.

2018 net financial expense, after a €0.5m currency gain, amounted to €(0.7)m, down from a €(3.2)m expense in 2017.

After a €1.4m tax charge, net profit Group share amounted to €13.7m, up from €9.3m in 2017.

2018 proforma operating income came in at €6.3m and 2018 proforma net profit Group share amounted to €2.2m. As such, the Company demonstrated the resilience of its earnings. With this game-changing acquisition, there is considerable earnings upside in forthcoming years as Distriplus gradually reaches Group levels of profitability.

€14.1m free cash flow⁸ - healthy financial position

As at 31 December 2018, Group equity stood at €89.9m, up from €80.7m at 31 December 2017.

With €32.0m generated from operating cash flows, €(15.1)m in cash outflows for perimeter variation and €3.5m net new borrowings during the year, Bogart Group maintained its capital expenditure at €2.8m and paid out €2.6m in dividends while increasing net cash position by €17.5m¹.

Group net debt⁹ at 31 December 2018 amounted to €17.7m compared to €10.1m at 31 December 2017, representing 19.7% gearing.

⁷ 2018 proforma results have been prepared as if Distriplus had been consolidated as from 1 January 2018

⁸ Group free cash flow = cash flow from operating activities + cash flow from investing activities

⁹ Net debt = current and long-term borrowings and financial liabilities + bank overdrafts – cash



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Increased dividend proposed to the forthcoming General meeting (€0.20 per share)

The Board of Directors has decided to pay out a dividend of €0.20 per share (up from €0.17 per share the previous year), which will be recommended to the General Meeting scheduled for 21 June 2019¹⁰.

2019 outlook

The Group begins 2019 having grown considerably. Bogart Group will strive to integrate its 2018 acquisitions paying particular attention to group profitability.

To successfully carry out this strategy, Bogart Group will draw on several key strengths that underpin its profitable vertical business model as follows:

- **Its experience and know-how in integrating a retail chain** (as illustrated by the successful integration of HC Parfumerie in 2016);
- Its ability to **negotiate supplier and service provider costs** and setting up new partnerships on Group terms;
- Growth in **Group own brands sold via a large chain** of 357 stores, which will set in motion a virtuous circle to boost sales of Fragrance/Cosmetic brands;
- Introduction of synergies between group companies so as to **improve operational efficiency**.

Bogart Group expects to post **EBITDA growth as of 2019**.

All of these actions will begin to bear fruit as of 2019 and more substantially as of 2020.

Meanwhile, the Company intends to resume growth in the *Fragrance/Cosmetic Brands* business, by leveraging: (i) new product launches for its fragrance brands (6 new Carven fragrances, 2 Ted Lapidus launches, 1 Jacques Bogart men's fragrance launch) and cosmetics brands (9 new Méthode Jeanne Piaubert products, 8 new Stendhal products and launch of a new skin care product brand April Laboratoire and revamped April bath products line) , (ii) the expanded own store chain of 357 stores and partners. The Company recently signed a strategic contract with Printemps to expand its own-brand retail network¹¹ and (iii) the steady rise in online shopping in France (the German commercial website is scheduled for H2 2019).

Next publication

Bogart Group will publish its turnover for the first quarter of 2019 on Friday 17 May 2019 (instead of 7 May 2019 as initially scheduled)

¹⁰ The dividend is due to be paid on 5 July 2019.

¹¹ Press release dated Thursday 18 May 2019



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About BOGART Group

BOGART Group specializes in the creation, manufacture and commercialization of luxury fragrances and cosmetics. With a unique market positioning as a manufacturer-distributor, the Group markets its products in more than 90 countries, and holds a network of 357 own stores in 5 countries (France, Israel, Germany, Belgium and Luxembourg). In 2018 Bogart Group posted revenues of €164.7m and proforma revenues of €308.3m.

BOGART Group is listed on the Euronext Paris stock exchange (Ticker: JBOG – ISIN: FR0012872141)

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APPENDICES

EBITDA/OPERATING INCOME RECONCILIATION

€m - IFRS	2017	2018
EBITDA	15.1	16.2
CVAE	(0.1)	(0.3)
Depreciation and impairment charges net of write-backs	1.0	(4.6)
Other non-operating income (expense)	0.3	4.6
Operating income	16.3	15.9



PROFORMA INCOME STATEMENT

2018 proforma results have been prepared as if Distriplus had been consolidated as from 1 January 2018. These results are included in the Company's annual financial report that will be published by 30 April 2019.

Note that the 2018 proforma income statement excludes €40.6m of Distriplus asset sales (including €36m goodwill write-down) to ensure like-for-like comparative figures.

Proforma consolidated income statement (€m)	2018 Reported	2018 Proforma
REVENUES	164.3	308.3
OTHER INCOME ON ORDINARY ACTIVITIES	1.1	1.1
OTHER INCOME	4.2	15.7
RAW MATERIALS AND SUPPLIES CONSUMED	(78.8)	(167.0)
STAFF COSTS	(36.2)	(68.5)
TAXES	(1.1)	(1.6)
DEPRECIATION, AMORTISATION AND IMPAIRMENT	(4.2)	(11.6)
OTHER EXPENSES	(38.6)	(77.3)
DISCONTINUED OPERATIONS	(0.6)	(0.6)
OTHER NON-RECURRING OPERATING EXPENSE	(1.1)	(1.1)
OTHER NON-RECURRING OPERATING INCOME	7.0	8.9
OPERATING INCOME	15.9	6.3
COST OF NET DEBT	(1.1)	(2.0)
OTHER FINANCIAL INCOME AND EXPENSE	0.4	0.4
FINANCIAL INCOME (EXPENSE)	(0.7)	(1.6)
INCOME BEFORE TAX	15.2	4.7
INCOME TAX	(1.4)	(2.4)
GROUP CONSOLIDATED NET PROFIT	13.8	2.3
NET PROFIT GROUP SHARE	13.7	2.2