



DISTINCT INCREASE IN 2019 ANNUAL RESULTS

STRONG CASH GENERATION – A VERY SOUND FINANCIAL SITUATION

- Consolidated revenues grew 6.9% to €274.7m
- Current EBITDA (before IFRS16) rose a distinct 13.2% to €25.3m¹
 - EBITDA margin (before IFRS16) turned out at 9.2% (in line with target)
- Operating cash flows: €29.9m (before IFRS 16), multiplied by 3.2
- Positive net cash (excluding lease liabilities): €11.1m

Paris, 26 March 2020

ROCHE BOBOIS SA (ISIN: FR0013344173 - Ticker symbol: RBO), **high-end furniture global market leader and the name behind *French Art de Vivre***, releases its results for the year ended 31 December 2019. The accounts were approved by the Executive Board at its meeting on 24 March 2020. The audit is currently being finalised, and the reports will be issued later.

IFRS (€m) unaudited data	2018	2019	2019 Before applying IFRS16 (unaudited)	Change % Before applying IFRS16
Sale of goods	224.7	242.2	242.2	
Royalties and other services	32.3	32.5	32.5	
Revenues	257.0	274.7	274.7	+6.9%
Gross margin on sales	130.0	143.2	143.2	+10.2%
Current EBITDA¹	22.4	45.8	25.3	+13.2%
Current EBITDA margin	8.7%	16.7%	9.2%	-
EBIT before non-recurring items	11.6	16.7	16.1	+38.8%
EBIT	11.1	15.8	15.2	+37.0%
Net financial expense	(0.4)	(2.1)	(0.3)	-
Tax charge	(4.0)	(4.1)	(4.1)	-
Net profit	6.7	9.6	10.8	+61.2%
Net profit Group share	6.3	9.3	10.5	+66.7%

¹ EBITDA after restatement for store openings and before bonus share plans

At the 2019 year-end, **Group revenues came to €274.7m at 31 December 2019 compared with €257.0m at 31 December 2018, rising 6.9%** (+5.2% at constant exchange rates). The Group saw its income rise in all its geographical areas, including the UK zone, which this year returned to growth.

The Group's gross margin is up 59.2% (compared with 57.8% at 31 December 2018), increasing €13.2m in value, through the effect of a geographical mix (with greater volumes in higher-profitability zones).

External expenses amounted to €70.5m on a reported basis, taking into account a significant fall in rent expenses through the application of IFRS16. Excluding IFRS16, external expenses were perfectly controlled. These expenses came to €92.0m compared with €85.3m at end 2018, with most of the increase due to the consolidation of Déco Center 95, and foreign-exchange effects.

Before applying IFRS 16, current EBITDA came to €25.3m compared with €22.4m, increasing 13.2% compared to 31 December 2018. All the geographical zones contributed to this increase, particularly the other Europe zone, thanks to the very healthy activity trends of the stores in Belgium, Switzerland and Italy, as well as the United Kingdom, which is enjoying the return to growth.

In line with the strategy instituted, France is continuing its growth, displaying an EBITDA margin rate of 6.6% (compared with 6.3% at 31 December 2018).

The Group's current EBITDA margin is 9.2%, in line with the target set (compared with 8.7% at 31 December 2018).

Before applying IFRS 16, recurrent operating profit amounted to €16.1m compared with €11.6m at 31 December 2018, increasing 38.8%. For the record, the previous year, the Group had recognised a non-recurring expense of €3.4m (bonus share plan (AGA)).

After recognition of a €0.9m non-recurring expense, the operating profit amounted to €15.2m (before applying IFRS16) compared with €11.1m at 31 December 2018.

Taking into account net financial income and tax (-€4.1m), Net Profit Group before applying IFRS 16 came to €10.5m compared with €6.3m at 31 December 2018, growing 66.7%.

Cash generation increased strongly – Disposable cash amounted to €31.1m

Equity capital came to €59.1m at 31 December 2019 compared with €53.4m at end December 2018.

WCR was thoroughly controlled, with a positive change of €9.2m (compared with €(7.4)m at 31 December 2018).

Operating cash flows at €51.3m posted a strong rise, factoring in a positive €21.4m contribution from the application of IFRS 16. Excluding IFRS 16, this figure reached €29.9m compared with €9.3m at 31 December 2018. This high amount more than covered the investments entailed in store openings and renovations (€9.2m) and the dividends paid to shareholders (€2.9m).

At end 2019, Group disposable cash had risen strongly to €31.1m compared with €15.5m at 31 December 2018. Excluding lease liabilities arising under IFRS 16, the Group had a positive net cash position at €11.1m.

Roundup on activity at the start of the year, and the impact of COVID-19

Since the start of this year, and in continuity with 2019, the Group has observed a very healthy business trend, with a **business volume +10.9% increased at end February 2020** for all the Roche Bobois stores, and **+14.1% increased for this brand's owned stores alone**. This healthy overall trend extended up to mid-March 2020.

However, in view of the exceptional circumstances arising from the Coronavirus (Covid-19) epidemic, and the lock-down measures announced by the different countries, Roche Bobois SA has, since mid-March, been progressively closing down all its owned stores in France, Europe and the United States/Canada during this period. The franchise stores are remaining open in accordance with local regulations (particularly in Asia). These measures are designed to protect the health of all staff and to inhibit the propagation of the virus.

Production in France, Italy and Portugal, and deliveries, were carried on normally up to mid-March 2020. Note that, for Cuir Center in China, suppliers' factories are now operating at full speed.

To date therefore, the Group is expecting a lengthening of delivery times for orders booked in the 1st quarter of 2020, but has recorded no order cancellations. All firm orders will be delivered as soon as the situation allows. At the same time, and depending on how long the lockdown lasts, the Company is expecting a significant, or even very significant retreat in its revenue for the 2nd quarter 2020 and in incoming orders. Historically, however, this quarter is a period when the Group experiences slackening of orders in its main markets (seasonality in the furnishing sector).

Roche Bobois recalls strength of its supply-to-order model which, in the past, has already proved its resilience in the different crises; in this case, purchases are deferred over time and outstanding orders are fulfilled in the months following.

This resilience and the Group's financial soundness, with a strong available cash position, are strengths with which to manage this unexpected crisis. The Group will keep the market informed of any significant developments in this situation that affect its activity.

Continuing international deployment – Phased takeover planned of 6 franchised stores in the United States

In view of the exceptional circumstances due to the COVID-19 epidemic, the signature of the share purchase agreement (SPA) connected with the acquisition of American franchisee stores has been postponed.

Roche Bobois recalls that in February 2020, it signed a non-binding letter of intent with its major american franchisee for the takeover in 2020 of three Roche Bobois franchised stores on the West Coast of the United States, located in San Francisco, Portland and Seattle, with a unilateral option to take over 3 additional stores located in Atlanta, Houston and Dallas between 2021 and 2022.

Combined revenue for all 6 stores reached USD 16.6m in 2019, on a very high EBITDA margin consistent with the brand's standards in the United States.

The Group confirms its determination to finalise this operation, which will be highly relative and will have a very positive effect on growth in the consolidated EBITDA margin. This transaction will be self-financed and/or with a special loan.

To conclude, note that Roche Bobois is planning 7 new owned stores in the 2020 financial year:

- 3 openings in Europe: Germany (Cologne); Portugal (Lisbon 2) and Switzerland (Sion);
- 1 opening in the United States: Minneapolis;
- 3 stores to be brought into Group ownership (takeover of San Francisco, Portland and Seattle).

Alongside this, the Group remains aligned with its policy, planning 5 to 10 franchised store openings in 2020.

About Roche Bobois SA

Roche Bobois SA is a French family business founded in 1960. The Group operates in 54 countries and has a network of 331 company-owned stores and franchises (as of 31st December r 2019) through its two brands: Roche Bobois, a high-end furniture brand with a strong international presence, and Cuir Center, positioned in the mid-range market segment with an essentially French customer base. With the Roche Bobois brand, the Group embodies *French Art de Vivre which it promotes worldwide* with original and bold creations from talented designers (Bruno Moinard, Jean Nouvel, Ora Ito, Sacha Lakic, Christophe Delcourt, Stephen Burks, Kenzo Takada, Bina Baitel...) and partnerships with fashion and Haute couture houses. Roche Bobois is also a committed to supporting the world of arts and culture. In 2019, the combined turnover by both brands, including franchises, amounted to €490 million excluding VAT, including €398 million and €92 million for Cuir Center. Roche Bobois SA consolidated revenues came to €274.7 million in 2019.

For more information please visit www.finance-roche-bobois.com

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APPENDICES

GLOSSARY

- **EBITDA** = earnings before interest, tax, depreciation and amortisation. Current 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.

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.