



rochebobois
PARIS

FIRST HALF 2020 RESULTS

- EBIT BEFORE NON-RECURRING ITEMS POSITIVE DESPITE COVID-19 IMPACT ON BUSINESS;
- CASH OF €40.3M (EXCLUDING €25M PGE LOAN) AT 30 JUNE;
- STRONG SALES REBOUND CONFIRMED DURING THE SUMMER.

Paris, September 25, 2020

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 first half 2020 results. The Roche Bobois S.A. Executive Board approved the financial statements on September 21, 2020. The statutory auditors conducted a limited review of the financial statements.

Although the Group naturally posted a downturn in sales during H1 2020 following the closure of its stores for during the lockdown, the Company was able to demonstrate the resilience of its business model against the backdrop of the crisis.

Thanks to our business model mainly based on variable costs and through the support measures provided in the different countries, the Group significantly lowered its operating expenses (down 17%) in line with its revenues, thereby limiting the impact on EBITDA. As a result, the Group's EBITDA rate declined very slightly by 1.5 points to 14.2% at June 30, 2020.

The Group has recorded a sharp rebound in sales since stores reopened (+61.9% in June, +15.4% in July and +47.1% in August on its owned stores). By the end of August 2020, the Group had already nearly caught up on its two brands Roche Bobois and Cuir Center in France as compared with the same period in the previous financial year.

The Company also continues to enjoy a robust financial position, with gross cash and cash equivalents of €40.3 million (excluding a €25 million state-guaranteed PGE loan), i.e. a total of €65.3 million at June 30, 2020.

IFRS (€m)	H1 2019	H1 2020
Sale of goods	118.2	95.3
Royalties and other services	16.5	14.2
Revenues	134.7	109.6
Gross margin on sales	58.6%	58.9%
Current EBITDA	21.1	15.5
EBIT before non-recurring items	7.2	0.4
EBIT	7.2	0.4
Net financial expense	(1.2)	(1.3)
Tax charge	(1.5)	(0.3)
Net profit/(loss)	4.5	(1.2)
Net profit/(loss) Group share	4.1	(1.1)

ROCHE BOBOIS SA posted first half 2020 revenues of €109.6 million, down 18.6% at current exchange rates (down 19.2% at constant exchange rates). The fall in retail sales was a consequence of the closure of the entire store chain due to the COVID-19 health crisis, partly offset by sustained delivery volumes in June 2020.

The Group maintained gross margin at high level, from 58.6% in H1 2019 to 58.9% due to sustained price levels and gross margin growth in the United States/Canada region.

Operating expenses were kept well under control.

External expenses fell sharply from €35.0 million in H1 2019 to €28.7 million (down 18%), mainly due to the renegotiations of rents on most of the network of stores in the various countries (down €1.1 million), lower PR and advertising expenses (down €1.3 million) as well as a reduction in transport costs (fewer deliveries to customers) and store opening costs, representing a combined additional saving of almost €1 million.

Staff costs also fell 16.1% from €27.9 million in H1 2019 to €23.4 million. This reduction is the result of the financial support measures provided during this unprecedented period (furlough schemes in France, grants and subsidies in the United States/Canada, etc.) and the decrease in commissions paid to sellers (lower retail sales in H1 2020). Staff costs include a €0.3 million bonus share plan expense in H1 2020.

Current EBITDA amounted to €15.5 million, down €5.6 million from €21.1 million in H1 2019. The current EBITDA margin came to 14.2% at current exchange rates (14.1% at constant exchange rates) representing a limited 1.5 point decrease from 15.7% in H1 2019.

In France, the EBITDA margin showed resilience at 14.1% in H1 2020 compared to 15.8% in H1 2019. The United States/Canada margin improved by 3 percentage points (from 20.9% to 23.9%) due to an improvement in gross margin in this region (+1.7 points) combined with a decrease in operating expenses.

After recognition of depreciation, amortisation and impairment charges (€15.4 million), EBIT before non-recurring items was positive at €0.4 million in H1 2020.

The Group did not record any non-recurring expenses and thus posted EBIT of €0.4 million in H1 2020.

After a net financial expense of €1.3 million and a €0.3 million tax charge, the Group posted a net loss of €1.1 million.

Tight control of working capital; operating cash flow remains high

Group free cash flow amounted to €15.7 million (compared to €20.8 million a year earlier).

Change in working capital was tightly controlled at €0.7 million in H1 2020 compared to €2.6 million the previous year.

H1 2020 operating cash flow remained high at €15.6 million (compared to €22.1 million in H1 2019) enabling the financing of all capital expenditure (€3.0 million), repayments of borrowings (€2.5 million), interest (€1.2 million) and purchases of minority interests (€1.7 million), in particular Coxbury and Deco Center 95. No dividend was paid out in view of the economic environment.

The Group secured a €25 million state-guaranteed PGE loan during the first half and used an overdraft facility in the amount of €8 million. These amounts combined with a healthy level of customer down payments over the period enabled the Group to record significant cash and cash equivalents of €65.3 million at June 30, 2020, compared to €31.1 million at December 31, 2019.

Gross borrowings amounted to €52.7 million (including €25 million state-guaranteed PGE loan) at June 30, 2020 against €20.0 million at December 31, 2019. Lease liabilities, exclusively related to the application of the IFRS 16 accounting method, reached 128.6 M€ at June 30, 2020.

Continued catching-up of the network retail sales

ROCHE BOBOIS SA recorded retail sales¹ of €208.0 million in the first six months of 2020 across its entire store chain (including franchises) compared to €245.9 million in H1 2019, thus limiting the downturn to 15.4%, thanks in particular to record-breaking sales outside the lockdown period.

This excellent trend continued during the summer. The Group recorded growth of 15.4% and 47.1% respectively in July and August at its owned stores. The trend is similar for the entire store chain (owned stores and franchises) with a global increase of 14.1% for these two months (cumulated data).

Concerning the owned stores, the retail sales of the two brands, Roche Bobois and Cuir Center in France recorded a slightly decline respectively, 3.2% and 1.2% cumulated at the end of August. The Other Europe region even recorded an increase of +2%. In US/Canada, the decline was only 10.4% compared to 23.3% (cumulative at the end of June 2020). All in all, on its owned stores, the delay in retail sales is only 5.8% cumulative at the end of August 2020.

At June 30, 2020, the Group had a €103 million order backlog (up €12.1 million compared to the same time last year), which will translate into an equivalent amount of revenue to be recognised this year.

In the end, over this financial year, the Roche Bobois SA annual sales, will be down in view of delivery timeframes. However, this decline will be limited by the strong catch-up observed in retail sales in the various geographic regions.

Finally, the Group is pursuing its 2020 development programme by adding seven new owned stores to its network:

- Europe: Germany (Cologne), Portugal (Lisbon 2) opened in July 2020 and Switzerland (Sion) opened in May 2020;
- United States: Minneapolis and the planned takeover of 3 franchisees (San Francisco, Portland and Seattle) for which an SPA should be signed by the end of the year

Availability of the first half 2020 financial report

ROCHE BOBOIS SA hereby announces that it has published and filed its financial report for the six months ended June 30, 2020 with the AMF (French financial markets regulator). This report may be viewed and downloaded from the Roche Bobois website: www.finance-roche-bobois.com

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 330 owned stores and franchises (at 30 June 2020) marketing 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. Through its Roche Bobois brand, the Group embodies the *French Art de Vivre* whose presence can now be felt on the world stage, 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 partner in the world of culture and the arts. Including franchises, these two brands posted 2019 revenues of €490 million excluding VAT, to which Roche Bobois contributed €398 million and Cuir Center €92 million. Roche Bobois SA 2019 consolidated revenues came to €274.7 million.

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

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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.