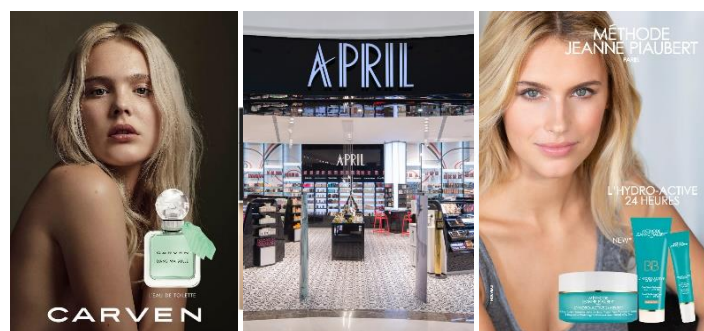


GROUPE BOGART



PRESS RELEASE

Paris, 29 September 2020

H1 2020 results:

Impact of COVID-19 crisis on EBITDA limited through tight control of operating expenses

Turnover (€m)	H1 2019	H1 2020	Change %
Turnover	138.9	94.9	-31.7%
Fragrance/Cosmetic brands	22.8	13.7	-39.9%
Own-brand boutiques	116.1	81.2	-30.1%
EBITDA ¹	16.1	11.0	-31.7%
Operating income	5.9	(4.8)	n.a.
Financial income (expense)	(2.4)	(2.0)	
Income tax	(1.2)	(0.6)	
Net profit (loss) Group share	2.3	(7.4)	n.a.

The consolidated financial statements for the first half of 2020 were approved by the Board of Directors on 29 September 2020. The Statutory Auditors conducted a limited review on the financial statements.

Bogart Group Chairman and CEO David Konckier commented as follows upon the publication of H1 2020 revenues: “Our first half performance has vindicated the merits of our manufacturer-retailer strategy. Our chain of 376 stores continued to structurally sustain our brands, in particular Carven, Méthode Jeanne Piaubert and April during the first half, and vice versa. Through tight cost management and reliance on our vertical integration model, we managed to limit the impact of COVID-19 on first half EBITDA. Health conditions permitting, we remain confident in our ability to grow margins over the short to medium term.”

¹ EBITDA = operating income + CVAE (French business value added tax) + depreciation, amortization and provisions + destruction of stock + other non-recurring operating income and expenses



Business performance

Bogart Group posted H1 2020 turnover of €94.9 million, down 31.7% at current exchange rates from €138.9 million in H1 2019. Turnover was down 34.1% at constant consolidation scope and exchange rates (like for like). The decline is due to the impact of the COVID-19 health crisis on sales in both business lines, primarily because of the two-month closure of the store chain in Europe and Israel and partner networks worldwide.

Amid these unprecedented conditions, the Group took the necessary steps to limit the impact of lost business on EBITDA.

Accordingly, staff costs were reduced by €8 million or 24.3% from €33.2 million in H1 2019 to €25.2 million in H1 2020 due to the furlough schemes implemented in mid-March across the entire store chain, among France head office support functions and in two Group manufacturing plants.

Furthermore, external charges were reduced by 37% from €25 million in H1 2019 to €16 million thanks to tight cost control (reduction in use of temporary workers, advertising costs and travel; renegotiation of fees, etc.) and the ongoing renegotiation of rent across the entire Europe and Israel store chain. These negotiations will continue during the second half.

As a result, EBITDA stayed positive at €11.0 million compared to €16.1 million in H1 2019.

The Group posted an H1 2020 operating loss of €4.8 million compared to operating income of €5.9 million in H1 2019². This includes a €1.1 million write-back in H1 2020 (compared to €6.6 million in H1 2019) related to the residual goodwill gain on the Distriplus acquisition.

After a net financial expense of €2.0 million and a €0.6 million tax expense, the Group posted a net loss Group share of €7.4 million.

Financial position

At 30 June 2020, Bogart Group posted equity of €92.3 million versus €100.9 million at 31 December 2019, after share repurchases totalling €1.1 million and including the first half loss.

First half cash flow amounted to €8.9 million compared to €16.0 million in H1 2019.

Working capital fell by €17.7 million over first half 2020 compared to a €32.5 million reduction in H1 2019.

H1 2020 capital expenditure totalled €1.5 million, compared to €1.7 million in H1 2019, and includes the acquisition of the Gottmann fragrance boutique business in Germany for €0.7 million.

Moreover, the Company repaid €16.4 million of borrowings during the period, including €14.5 million in lease liabilities and €1.9 million in bank loans. In July 2020, the Group made a post-closing dividend payout of €0.23 per share.

² An EBITDA/operating income reconciliation is presented in the Appendices of this press release.



Finally, gross cash and cash equivalents stood well at €55.3 million at 30 June 2020, up from €35.9 million at 30 June 2019 (€57.7 million at 31 December 2019). As a reminder, the Group obtained a €14.5 million PGE state-guaranteed loan during the first half. Given the usual seasonal business cycles, this amount does not reflect the Group's annual cash position, as the cash position is always higher towards the end of the year.

Gross borrowings totalled €101.1 million (including PGE state-guaranteed loan) at 30 June 2020 (excluding IFRS 16 lease liabilities), versus €85.5 million at 30 June 2019.

Outlook

In 2020 Bogart Group has opted for a proactive strategy of launches to support its brands. The Group plans to leverage all of its strengths to take full advantage of the initial signs of recovery on its markets. Accordingly, in the second half of 2020 the Group has launched a new fragrance, **Carven Dans ma Bulle de Fleurs** (July 2020) and will gradually extend its geographic distribution. The Group will launch a new collection, **Stories by Lapidus**, comprising seven women's and men's fragrances and the first line of men's skincare products under the **Silver Scent** line (Jacques Bogart). In October, the Group will introduce a new premium line named **Pur Luxe de Stendhal Paris** (8 cosmetics products).

As a reminder, the second half is usually more profitable than the first half. Group management will continue to pay close attention to expenses in order to maintain profitability, combined with rigorous cash management.

Publication of the first half 2020 financial report

The Bogart Group first half 2020 financial report is now available to the public and has been filed with the French financial markets authority (AMF). The report may be downloaded from the Group website at: www.groupe-bogart.com

Next publication

Bogart Group will publish its third quarter turnover on 13 November 2020

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APPENDICES

EBITDA/OPERATING INCOME RECONCILIATION

€m - IFRS	H1	H1
	2019	2020
EBITDA	16,0	11,0
CVAE	-	-
Destruction of stocks	-	-
Depreciation and impairment charges net of write-backs	-9,8	-15,8
Other non-operating income (expense)	-0,3	-
Operating income	5,9	-4,8