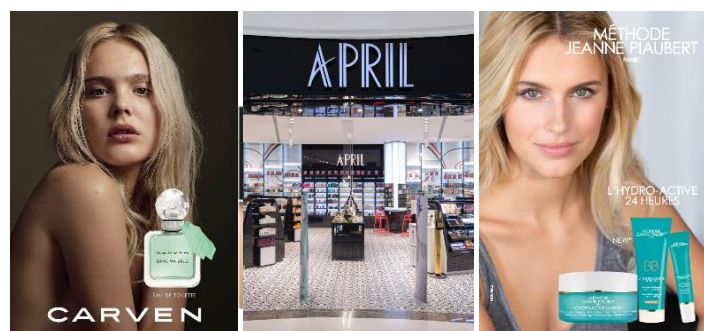


GROUPE BOGART

PRESS RELEASE

Paris, 13 November 2020



Q3 2020 turnover of €60.5 million

Sequential business improvement and prudent management in face of the health crisis evolution

Revenues in € million (unaudited)	2019	2020	Change
Q3 turnover	67.9	60.5	-10.9%
<i>Fragrance/Cosmetic brands</i>	<i>11.0</i>	<i>10.3</i>	<i>-6.4%</i>
<i>Own-brand boutiques</i>	<i>56.9</i>	<i>50.2</i>	<i>-11.8%</i>
9-month turnover	207.1	155.4	-25.0%
<i>Fragrance/Cosmetic brands</i>	<i>33.9</i>	<i>24.0</i>	<i>-29.2%</i>
<i>Own-brand boutiques</i>	<i>173.2</i>	<i>131.4</i>	<i>-24.1%</i>

Bogart Group Chairman and CEO David Konckier commented as follows upon the publication of Q3 2020 turnover: *“Thanks to the robustness of our brand portfolio and the reopening of sales outlets, Q3 business improved considerably compared to the first half, even though we have yet to reach pre-crisis levels. This upswing was driven by brands such as Carven, Jacques Bogart and Méthode Jeanne Piaubert and by the reorganization of fragrance boutiques in order to meet the requirements of our male and female customers.*

The positive trend was interrupted by the second wave of the health crisis and the reintroduction of movement restrictions in a number of countries, forcing us to continue to reorganise our business and manage costs under tight control, while offering new opportunities for expansion over the short term.”



Breakdown by business

Bogart Group posted Q3 2020 consolidated turnover of €60.5 million, down by just 10.9% from €67.9 million in Q3 2019 and marking a sequential improvement over the first half-year decline (-31.8% in H1 2020) despite the ongoing impact of the COVID-19 crisis. As a result, turnover for the first nine months of the year came to €155.4 million, compared to €207.1 million in 2019.

At constant consolidation scope (consolidation of the Pascal, Milady and Gottman fragrance boutique chains) and exchange rates, Q3 turnover decreased by 11.4% after a 34.0% decline in H1 2020. Turnover for the first nine months was down 26.8% like-for-like.

The Fragrance/Cosmetic brands business posted turnover of €10.3 million, down 6.4%. Sales growth resumed in Europe, driven by Carven (*Dans ma Bulle de Fleurs*), Méthode Jeanne Piaubert and by the skincare brands in general, but remained sluggish in Latin America and the Middle East. Bogart Group has made a strategic choice to pursue a proactive launch policy in the second half of the year, including **Stories by Lapidus**, a new collection of 7 fragrances for women and men, **Pur Luxe de Stendhal Paris**, a new premium line of 8 cosmetics products, and a new line, **Carven pour Homme l'Eau de Parfums**. The Group is also preparing to launch new fragrance, skincare and make-up products in 2021.

The own-brand boutiques business posted Q3 turnover of €50.2 million, down 11.8%. Despite encouraging signs in July, France and Belgium recorded disappointing sales for August and September including a continuing slump in make-up sales. Fears of a resurgence in the health crisis clearly dampened customer morale. In Israel, sales remained buoyant until the reintroduction of lockdown measures, which forced the Group to close the April boutiques from 18 September.

Outlook

Due to the recent extension of lockdown measures and movement restrictions, the Group has decided to temporarily close 60% of its own-brand boutiques in Israel (since 18 September), France (since 30 October) and, partly, in Belgium (since 1 November). A large portion of the partner network is also currently impacted by the second wave of the health crisis.

Against this backdrop, Bogart Group is continuing to adapt its cost structure in terms of staff costs (partial unemployment schemes and preparations for a long-term agreement on partial operation) and external expenses (renegotiation of own-brand boutique rents and review of all budgets). The Group is currently reviewing the underlying structural profitability of each sales outlet and, as such, has decided to permanently close 14 sales outlets in 2020 and open 7 new boutiques with much lower rental payments. Other similar decisions could be made over the next few months.



Unlike the first lockdown, manufacturing plants have remained open with production capacities tailored to international customer demand, in strict compliance with health procedures. The e-commerce business has been boosted by the introduction of new systems such as Click&Collect and targeted investments.

Investors are reminded that the second half is structurally more profitable and that administrative closures continuing after 1 December would significantly impact full-year earnings.

Otherwise, the Company remains open to acquisition opportunities.

Next publication

Bogart Group will publish its full-year turnover on the 12th of February 2021.

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